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VOL. II.

WASHINGTON, D. C., MARCH 1, 1890.

No. 24.

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 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-

THE NATIONAL ECONOMIST.

before the war often houses for the greater before they could get it ginned, they pick it into a wagon from it is unloaded into the feeder of a gin and is often ginned and sold on the day it is picked. Formerly it took weeks and sometimes months to market the crop; now the most remote points can sell in New York every day in the year. These facts have developed the necessity for the application of this principle. It did not exist in Adam Smith's time, but it does exist in an eminent degree now. The honorable gentlemen of the Congress of the United States should lay aside preconceived ideas, prejudice and the "tendencies of early educational training" and step out squarely upon a high and progressive plane of advanced modern thought, and remember that the agriculturists of America ask no favors, but demand justice; and unless those who represent them in Congress intelligently comprehend the situation and keep up with the march of the modern evolution of demonstrable truths, their constituency will surpass them and leave them alone to mourn their lack of application.

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 offers 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 can not 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, so 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 mechanician 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 them 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 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 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 80 per cent of the local current value of the products deposited has been advanced on same on interest at the rate of 1 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 trustees will sell same at public auction to the highest bidder for the purpose of satisfying the debt. Besides the 1 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 product 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 1 per cent per annum. He would negotiate and sell his warehouse or elevator receipt 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 necessities both public and private, of every rank in society. It was essential to enable the manufacturers to work, lest their workmen, driven to desperation, should fling themselves amongst the most violent enemies of public order. It was essential to provide money for the food of Paris, for the pay of troops, and for the daily support of the industrial establishments of the nation. A failure on any one point would have led to a fresh convulsion, but the panic had been followed by so great a scarcity of the metallic currency, that a few days later, out of a payment of 26,000,000 francs due, only 47,000 francs could be recorded in silver."

"In this extremity, when the bank alone retained any available sums of money, the government came to the rescue, and on the night of the 15th of March, the notes of the bank were, by a decree, made a legal tender, the issue of these notes being limited in all to 350,000,000, but the amount of the lowest of them reduced for the public convenience to 100 francs. One of the great difficulties mentioned in the report was to print these 100-franc notes

THE NATIONAL ECONOMIST.

showing that the average gross amount per annum of cotton, wheat, oats, corn and tobacco produced and sold in that county for the last preceding two years, exceeds the sum of \$500,000 at current prices in said county at that time; and,

2. Present a good and sufficient bond for title to a suitable and adequate amount of land to be donated to the Government of the United States for the location of the sub-treasury buildings, and,

3. A certificate of election showing that the site for the location of such sub-treasury has been chosen by a popular vote of the citizens of that county, and also naming the manager of the sub-treasury elected at said election for the purpose of taking charge of said sub-treasury under such regulations as may be prescribed. It shall in that case be the duty of the Secretary of the Treasury to proceed without delay to establish a sub-treasury department in such county as hereinafter provided.

Sec. 2. That any owner of cotton, wheat, corn, oats, or tobacco, may deposit the same in the sub-treasury nearest the point of its production, and receive therefor treasury notes hereinafter provided for, equal at the date of deposit to eighty per cent of the net value of such products at the market price, said price to be determined by the Secretary of the Treasury, under rules and regulations prescribed, based upon the price current in the leading cotton, tobacco, or grain markets of the United States; but no deposit consisting in whole or in part of cotton, tobacco, or grain imported into this country shall be received under the provisions of this act.

Sec. 3. That the Secretary of the Treasury shall cause to be prepared treasury notes in such amounts as may be required for the purpose of the above section, and in such form and denominations as he may prescribe, provided that no note shall be of a denomination less than \$1, or more than \$1,000.

Sec. 4. That the treasury notes issued under this act shall be receivable for customs, and shall be a full legal-tender for all debts, both public and private, and such notes when held by any national banking association shall be counted as part of its lawful reserve.

Sec. 5. It shall be the duty of the manager of a sub-treasury when cotton, grain, or tobacco is received by him on deposit as above provided, to give a warehouse receipt showing the amount and grade or quality of such cotton, tobacco or grain, and its value at date of deposit; the amount of treasury notes the sub-treasury has advanced on the product; that the interest on the money so advanced is at the rate of 1 per cent per annum; expressly stating the amount of insurance, weighing, classing, warehousing, and other charges that will run against such deposit of cotton, grain, or tobacco. All such warehouse receipts shall be negotiable by endorsement.

Sec. 6. That the cotton, grain or tobacco deposited in the sub-treasury under the provisions of this act may be redeemed by the holder of the warehouse receipt herein provided for, either at the sub-treasury in which the product is deposited or at any other sub-treasury, by the surrender of such warehouse receipt and the payment in lawful money of the United States of the same amount originally advanced by the sub-treasury against the product, and such further amount as may be necessary to discharge all interest that may have accrued against the advance of money made on the deposit of produce and all insurance, warehouse and other charges that attach to the product for warehousing and hauling. All lawful money received at the sub-treasury as a return of the actual amount of money advanced by the Government against farm products as above specified shall be returned, with a full report of the transaction, to the Secretary of the Treasury, who shall make record of the transaction and cancel and destroy the money so returned. A sub-treasury that receives a warehouse receipt as above pro-

A BILL

To Establish a System of Sub-Treasuries, and for Other Purposes.

The following bill was introduced in Congress February 18, referred to the Committee on Ways and Means, and ordered to be printed:

SECTION 1. Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, that there may be established in each of the counties of each of the States of this United States, a branch of the Treasury Department of the United States, to be known and designated as a sub-treasury, as herein provided.

"In this extremity, when the bank alone retained any available sums of money, the government came to the rescue, and on the night of the 15th of March, the notes of the bank were, by a decree, made a legal tender, the issue of these notes being limited in all to 350,000,000, but the amount of the lowest of them reduced for the public convenience to 100 francs. One of the great difficulties mentioned in the report was to print these 100-franc notes

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3. A certificate of election showing that the site for the location of such sub-treasury has been chosen by a popular vote of the citizens of that county, and also naming the manager of the sub-treasury elected at said election for the purpose of taking charge of said sub-treasury under such regulations as may be prescribed. It shall in that case be the duty of the Secretary of the Treasury to proceed without delay to establish a sub-treasury department in such county as hereinafter provided.

THE NATIONAL ECONOMIST.

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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 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 offers 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 can not 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, so 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 mechanician 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 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 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 80 per cent of the local current value of the products deposited has been advanced on same on interest at the rate of 1 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 trustees will sell same at public auction to the highest bidder for the purpose of satisfying the debt. Besides the 1 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 product 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 1 per cent per annum. He would negotiate and sell his warehouse or elevator receipt 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 necessities both public and private, of every rank in society. It was essential to enable the manufacturers to work, lest their workmen, driven to desperation, should fling themselves amongst the most violent enemies of public order. It was essential to provide money for the food of Paris, for the pay of troops, and for the daily support of the industrial establishments of the nation. A failure on any one point would have led to a fresh convulsion, but the panic had been followed by so great a scarcity of the metallic currency, that a few days later, out of a payment of 26,000,000 francs due, only 47,000 francs could be recorded in silver."

"In this extremity, when the bank alone retained any available sums of money, the government came to the rescue, and on the night of the 15th of March, the notes of the bank were, by a decree, made a legal tender, the issue of these notes being limited in all to 350,000,000, but the amount of the lowest of them reduced for the public convenience to 100 francs. One of the great difficulties mentioned in the report was to print these 100-franc notes

fast enough for the public consumption. In ten days the amount issued in this form had reached 80,000,000 francs.

"To enable manufacturing interests to weather

the storm at a moment when all the sales were interrupted, a decree of the national assembly had directed warehouses to be opened for the reception of all kinds of goods, and provided that the registered invoice of the goods so deposited should be made negotiable by indorsement. The bank of France discounted these receipts. In Haare alone eighteen millions were thus advanced on colonial produce, and in Paris fourteen millions on merchandise; in all, sixty millions were made available for the purposes of trade. Thus, the great institution had placed itself as it were in direct contact with every interest of the community, from the minister of the Treasury down to the trader in a distant port. Like a huge hydraulic machine, it employed its colossal powers to pump a fresh stream into the exhausted arteries of trade to sustain credit, and preserve the circulation from complete collapse.—From the Bank Charter Act, and the Rate of Interest, London, 1873."

This is proof positive, and a clear demonstration, in 1848, what this system could accomplish when a necessity existed for resorting to it. But since that time every conceivable change has tended toward rendering such a system easier managed and more necessary. The various means of rapid transportation and the facilities for the instantaneous transmission of intelligence, make it no disadvantage for the produce of a country to be stored at home until demanded for consumption, and the great savings that will follow the abolition of local shipments shows what great economy such a system is. In this day and time, no one will for a moment deny that all the conditions for purchase and sale will attach to the Government certificates showing amount, quality, and running charges that attach to the product.

SEC. 3. That the Secretary of the Treasury shall cause to be prepared treasury notes in such amounts as may be required for the purpose of the above section, and in such form and denominations as he may prescribe, provided that no note shall be of a denomination less than \$1, or more than \$1,000.

SEC. 4. That the treasury notes issued under this act shall be receivable for customs, and shall be a full legal-tender for all debts, both public and private, and such notes when held by any national banking association shall be counted as part of its lawful reserve.

SEC. 5. It shall be the duty of the manager of a sub-treasury when cotton, grain, or tobacco is received by him on deposit as above provided, to give a warehouse receipt showing the amount and grade or quality of such cotton, tobacco or grain, and its value at date of deposit, the amount of treasury notes the sub-treasury has advanced on the product, that the interest on the money so advanced is at the rate of 1 per centum per annum; expressly stating the amount of insurance, weighing, classing, warehousing, and other charges that will run against such deposit of cotton, grain, or tobacco. All such warehouse receipts shall be negotiable by endorsement.

SEC. 6. That the cotton, grain or tobacco deposited in the sub-treasury under the provisions of this act may be redeemed by the holder of the warehouse receipt herein provided, for either at the sub-treasury in which the product is deposited or at any other sub-treasury, by the surrender of such warehouse receipt and the payment in lawful money of the United States of the same amount originally advanced by the sub-treasury against the product, and such further amount as may be necessary to discharge all interest that may have accrued against the advance of money made on the deposit of produce and all insurance, warehousing and other charges that attach to the product for warehousing and handling. All lawful money received at the sub-treasury as a return of the actual amount of money advanced by the Government against farm products as above specified shall be returned, with a full report of the transaction, to the Secretary of the Treasury, who shall make record of the transaction and cancel and destroy the money so returned. A sub-treasury that receives a warehouse receipt as above pro-

THE NATIONAL ECONOMIST.

viding that the average gross amount per annum of cotton, wheat, oats, corn and tobacco produced and sold in that county for the last preceding two years, exceeds the sum of \$500,000 at current prices in said county at that time, and,

2. Present a good and sufficient bond for title to a suitable and adequate amount of land to be donated to the Government of the United States for the location of the sub-treasury buildings, and,

3. A certificate of election showing that the site for the location of such sub-treasury has been chosen by a popular vote of the citizens of that county, and also naming the manager of the sub-treasury elected at said election for the purpose of taking charge of said sub-treasury under such regulations as may be prescribed. It shall in that case be the duty of the Secretary of the Treasury to proceed without delay to establish a sub-treasury department in such county as hereinafter provided.

SEC. 2. That any owner of cotton, wheat, corn, oats, or tobacco, may deposit the same in the sub-treasury nearest the point of its production, and receive therefor treasury notes hereinafter provided for, equal at the date of deposit to eighty per centum of the net value of such products at the market price, said price to be determined by the Secretary of the Treasury; under rules and regulations prescribed, based upon the price current in the leading cotton, tobacco, or grain markets of the United States; but no deposit consisting in whole or in part of cotton, tobacco, or grain imported into this country shall be received under the provisions of this act.

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A BILL

To Establish a System of Sub-Treasuries, and for Other Purposes.

The following bill was introduced in Congress February 18, referred to the Committee on Ways and Means, and ordered to be printed:

SECTION 1. Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, that there may be established in each of the counties of each of the States of this United States, a branch of the Treasury Department of the United States, to be known and designated as a sub-treasury, as hereinafter provided.

In this extremity, when the bank alone retained any available sums of money, the government came to the rescue, and on the night of the 15th of March, the notes of the bank were, by a decree, made a legal tender, the issue of these notes being limited in all to 350,000,000, but the amount of the lowest of them reduced for the public convenience to 100 francs. One of the great difficulties mentioned in the report was to print these 100-franc notes

fast enough for the public consumption. In ten days the amount issued in this form had reached 80,000,000 francs.

"To enable manufacturing interests to weather

the storm at a moment when all the sales were interrupted, a decree of the national assembly had directed warehouses to be opened for the reception of all kinds of goods, and provided that the registered invoice of the goods so deposited should be made negotiable by indorsement. The bank of France discounted these receipts. In Haare alone eighteen millions were thus advanced on colonial produce, and in Paris fourteen millions on merchandise; in all, sixty millions were made available for the purposes of trade. Thus, the great institution had placed itself as it were in direct contact with every interest of the community, from the minister of the Treasury down to the trader in a distant port. Like a huge hydraulic machine, it employed its colossal powers to pump a fresh stream into the exhausted arteries of trade to sustain credit, and preserve the circulation from complete collapse.—From the Bank Charter Act, and the Rate of Interest, London, 1873."

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in 1848, what this system could accomplish when a necessity existed for resorting to it. But since that time every conceivable change has tended toward rendering such a system easier managed and more necessary. The various means of rapid transportation and the facilities for the instantaneous transmission of intelligence, make it no disadvantage for the produce of a country to be stored at home until demanded for consumption, and the great savings that will follow the abolition of local shipments shows what great economy such a system is. In this day and time, no one will for a moment deny that all the conditions for purchase and sale will attach to the Government certificates showing amount, quality, and running charges that attach to the product.

SEC. 3. That the Secretary of the Treasury shall

cause to be prepared treasury notes in such amounts as may be required for the purpose of the above section, and in such form and denominations as he may prescribe, provided that no note shall be of a denomination less than \$1, or more than \$1,000.

SEC. 4. That the treasury notes issued under this act shall be receivable for customs, and shall be a full legal-tender for all debts, both public and private, and such notes when held by any national banking association shall be counted as part of its lawful reserve.

SEC. 5. It shall be the duty of the manager of a sub-treasury when cotton, grain, or tobacco is received by him on deposit as above provided, to give a warehouse receipt showing the amount and grade or quality of such cotton, tobacco or grain, and its value at date of deposit, the amount of treasury notes the sub-treasury has advanced on the product, that the interest on the money so advanced is at the rate of 1 per centum per annum; expressly stating the amount of insurance, weighing, classing, warehousing, and other charges that will run against such deposit of cotton, grain, or tobacco. All such warehouse receipts shall be negotiable by endorsement.

SEC. 6. That the cotton, grain or tobacco deposited in the sub-treasury under the provisions of this act may be redeemed by the holder of the warehouse receipt herein provided, for either at the sub-treasury in which the product is deposited or at any other sub-treasury, by the surrender of such warehouse receipt and the payment in lawful money of the United States of the same amount originally advanced by the sub-treasury against the product, and such further amount as may be necessary to discharge all interest that may have accrued against the advance of money made on the deposit of produce and all insurance, warehousing and other charges that attach to the product for warehousing and handling. All lawful money received at the sub-treasury as a return of the actual amount of money advanced by the Government against farm products as above specified shall be returned, with a full report of the transaction, to the Secretary of the Treasury, who shall make record of the transaction and cancel and destroy the money so returned. A sub-treasury that receives a warehouse receipt as above pro-

vided, together with the return of the proper amount of lawful money and all charges as herein provided, when the product for which it is given is stored in some other sub-treasury, shall give an order on such other sub-treasury for the delivery of the cotton, grain or tobacco, as the case may be, and the Secretary of the Treasury shall provide for the adjustment between sub-treasuries, of all charges.

SEC. 7. The Secretary of the Treasury shall prescribe such rules and regulations as are necessary for governing the details of the management of the sub-treasuries, fixing the salary, bond and responsibility of each of the managers of sub-treasuries (provided that the salary of any manager of a sub-treasury shall not exceed the sum of \$1,500 per annum), holding the managers of sub-treasuries personally responsible on their bonds for weights and classifications of all produce, providing for the rejection of unmerchantable grades of cotton, grain or tobacco, or for such as may be in bad condition; and shall provide rules for the sale at public auction of all cotton, corn, oats, wheat or tobacco that has been placed on deposit for a longer period than twelve months after due notice published. The proceeds of the sale of such product shall be applied, first, to the reimbursement to the sub-treasury of the amount originally advanced, together with all charges; and, second, the balance shall be held on deposit for the benefit of the holder of the warehouse receipt, who shall be entitled to receive the same on the surrender of his warehouse receipt. The Secretary of the Treasury shall also provide rules for the duplication of any papers in case of loss or destruction.

SEC. 8. It shall be the duty of the Secretary of the Treasury, when section 1 of this act shall have been complied with, to cause to be erected, according to the laws and customs governing the construction of Government buildings, a suitable sub-treasury building, with such warehouse or elevator facilities as the character and amount of the products of that section may indicate as necessary. Such buildings shall be supplied with all modern conveniences for handling and safely storing and preserving the products likely to be deposited.

SEC. 9. That any gain arising from the charges for insurance, weighing, storing, classing, holding, shipping, interest or other charges, after paying all expenses of conducting the sub-treasury, shall be accounted for and paid into the treasury of the United States.

SEC. 10. The term of office for a manager of a sub-treasury shall be two years, and the regular election to fill such office shall be at the same time as the election for members of the House of Representatives of the Congress of the United States. In case of a vacancy in the office of manager of the sub-treasury by death, resignation, or otherwise, the Secretary of the Treasury shall have power to appoint a manager for the unexpired term.

SEC. 11. The sum of fifty millions of dollars, or so much thereof as may be found necessary to carry out the provisions of this act, is hereby appropriated out of any moneys in the treasury not otherwise appropriated, for that purpose.

SEC. 12. That so much of any or all other acts as are in conflict with the provisions of this act are hereby repealed.

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 ca-

pacity 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 could be saved were the wheat stored in an elevator until at least this difference in the grade could be saved.

From the above estimate, which seems to be a fair one, the cost of building the proposed sub-treasury warehouses can be made. The entire amount of all kinds of cereals produced in the United States for 1889, may be put at 3,400,000,000 bushels, the largest in the history of the country. Of this amount there was wheat, 490,560,000 bushels; oats, 751,515,000 bushels; corn, 2,112,892,000 bushels. The exports of all kinds of grain for the same year was about 210,000,000 bushels. Of this amount there was of wheat and flour 88,822,462 bushels; corn and corn-meal 70,241,674 bushels. The great bulk of the grain produced in this country was therefore consumed at home, and by far the largest part of the coarse grain must have been fed to stock on the farm. Bradstreet's reports from more than 1,000 different points East of the Rocky Mountains show grain in store as follows:

February 1, 1890.—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 de-

mand 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.

The Government and Whisky.

In the discussion of the sub-treasury plan, every law, rule, or regulation already in use at the present time in this country, which relates even remotely to the proposed system, should be carefully explained in order to show that this measure is not such a broad innovation as its opponents will claim. For this purpose an examination of the internal revenue laws and reports will be of material value. It will disclose a paternal care on the part of Government over the liquor interests that many are not aware of, and demonstrate beyond a doubt that the sub-treasury plan can be put into practical use. Next to the national banks the distillers seem to be the favorites of the Government, as almost every regulation asked for has been granted. It is the warehousing features of the internal revenue laws that this article is intended to discuss. It is a mistake that the Government builds, owns, or rents the warehouses used in the storage of liquor. Section 3271 of the Revised Statutes provides:

Every distiller shall keep a warehouse book, which shall at all times be open to the examination of any revenue officer, and shall enter therein an account of all articles deposited in the warehouse to which he is assigned, indicating in each case the date of deposit, by whom manufactured or produced, the number and description of the packages and contents, the quantities therein, the marks and serial numbers thereon, and by whom gauged, inspected, or weighed, and if distilled spirits, the number of gauge or wine gallons, of proof-gallons, and of taxable gallons, and before delivering any article from the warehouse he shall enter in said book the date of the permit or order of the collector for the delivery of such articles, the number and description of the packages, the marks and serial numbers thereon, the date of delivery, to whom delivered, and for what purpose, which purpose shall be specified in the permit or order for delivery, and in case of delivery of any distilled spirits the number of gauge or wine gallons, of proof-gallons, and of taxable gallons shall also be stated; and such further particulars shall be entered in the warehouse-books as may be prescribed or found necessary for the identification of the packages, to insure the correct delivery thereof and proper accountability therefor.

And every storekeeper shall furnish daily to the collector of the district a return of all articles received in and delivered from the warehouse during the day preceding that on which the return is made, and mail at the same time a copy thereof to the Commissioner of Internal Revenue, and shall, on the first Monday of every month, make a report in duplicate of the number of packages of all articles, with the respective descriptions thereof, as above provided, which remained in the warehouse at the date of his last report, of all articles received therein and delivered therefrom during the preceding month, and of articles remaining therein at the end of said month. He shall deliver one of these reports to the collector having control of the warehouse, to be recorded and filed in his office, and transmit one to the Commissioner of Internal Revenue, to be recorded and filed in his office.

The length of time in which the products can remain in bond is given in section 3293 of the Revised Statutes, as follows:

The distiller or owner of all spirits removed as aforesaid to the distillery warehouse shall, on the first day of each month, or within five days thereafter, enter the same for deposit in such warehouse, under such regulations as the Commissioner of Internal Revenue may prescribe. Said entry shall be in triplicate, and shall contain the name of the person making the entry, the designation of the warehouse in which the deposit is made, and the date thereof, and shall be in the following form:

ENTRY FOR DEPOSIT IN DISTILLERY WAREHOUSE.

Entry of distilled spirits deposited by _____, in distillery warehouse _____, in the district, State of _____, during the month ending on the _____ day of _____, anno Domini _____.

And the entry shall specify the kind of spirits, the whole number of packages, the marks and serial numbers thereon, the number of gauge or wine gallons, proof gallons, and taxable gallons, and the amount of tax on the spirits contained in them; all of which shall be verified by the oath of the distiller or owner of the same attached to the entry. The said distiller or owner shall at the time of making said entry give his bond in duplicate, with one or more sureties, satisfactory to the collector of the district, conditioned that the principal named in said bond shall pay the tax on the spirits as specified in the entry, or cause the same to be paid, before removal from said distillery warehouse, and within three years from the date of said entry; and the penal sum of such bond shall not be less than the amount of tax on such distilled spirits. One of said entries shall be retained in the office of the collector of the district, one sent to the storekeeper in charge of the warehouse, to be retained and filed in the warehouse, and one sent with duplicate of the bond to the Commissioner of Internal Revenue, to be filed in his office.

When the products of the distillery are received at the Government warehouse, they are taken charge of by the Government storekeeper under the provisions of section 3301 of the Revised Statutes, which declares:

Every storekeeper shall keep a warehouse book, which shall at all times be open to the examination of any revenue officer, and shall enter therein an account of all articles deposited in the warehouse to which he is assigned, indicating in each case the date of deposit, by whom manufactured or produced, the number and description of the packages and contents, the quantities therein, the marks and serial numbers thereon, and by whom gauged, inspected, or weighed, and if distilled spirits, the number of gauge or wine gallons, of proof-gallons, and of taxable gallons, and before delivering any article from the warehouse he shall enter in said book the date of the permit or order of the collector for the delivery of such articles, the number and description of the packages, the marks and serial numbers thereon, the date of delivery, to whom delivered, and for what purpose, which purpose shall be specified in the permit or order for delivery, and in case of delivery of any distilled spirits the number of gauge or wine gallons, of proof-gallons, and of taxable gallons shall also be stated; and such further particulars shall be entered in the warehouse-books as may be prescribed or found necessary for the identification of the packages, to insure the correct delivery thereof and proper accountability therefor.

And every storekeeper shall furnish daily to the collector of the district a return of all articles received in and delivered from the warehouse during the day preceding that on which the return is made, and mail at the same time a copy thereof to the Commissioner of Internal Revenue, and shall, on the first Monday of every month, make a report in duplicate of the number of packages of all articles, with the respective descriptions thereof, as above provided, which remained in the warehouse at the date of his last report, of all articles received therein and delivered therefrom during the preceding month, and of articles remaining therein at the end of said month. He shall deliver one of these reports to the collector having control of the warehouse, to be recorded and filed in his office, and transmit one to the Commissioner of Internal Revenue, to be recorded and filed in his office.

The length of time in which the products can remain in bond is given in section 3293 of the Revised Statutes, as follows:

The tax on all distilled spirits hereafter entered for deposit in distillery warehouses shall be due and payable before and at the time the same

are withdrawn therefrom and within three years from the date of the entry for deposit therein, and warehousing bonds hereafter taken under the provisions of section thirty-two hundred and ninety-three of the Revised Statutes of the United States shall be conditioned for the payment of the tax on the spirits as specified in the entry before removal from the distillery warehouse, and within three years from the date of said bonds.

The amount of tax is ninety cents on each proof-gallon, and is paid at the time the product is withdrawn from the warehouse, which is optional with the holder of the receipts for three years from date of deposit. There is also provision made for warehousing brandy made from grapes, apples, etc., etc. Section 1 of the act of March 3, 1877, provides:

That the Commissioner of Internal Revenue shall be, and hereby is, authorized in his discretion, and upon the execution of such bonds as he may prescribe, to establish warehouses, to be known as special bonded warehouses, not exceeding ten in number in any one collection-district, exclusively for the storage of brandy made from grapes, each of which warehouses shall be in the charge of a storekeeper, to be appointed, assigned, transferred, and paid in the same manner that storekeepers for distillery-warehouses are now appointed, assigned, transferred, and paid. Every such warehouse shall be under the control of the collector of internal revenue of the district in which such warehouse is located, and shall be in the joint custody of the storekeeper and the proprietor thereof and kept securely locked, and shall at no time be unlocked or opened or remain open except in the presence of such storekeeper or other person who may be designated to act for him, as provided in the case of distillery-warehouses. And such warehouses shall be under such further regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

The report of the Commissioner shows that on June 30, 1889, there were 4,576 registered distilleries, and 4,349 were in operation. The amount of grain used was 20,990,924 bushels, and the number of gallons of spirits produced was 87,887,456. The annual expense of taking care of this branch of the internal revenue service was fully \$2,600,000. The average amount of spirits warehoused for the past three years is about 66,000,000 gallons, beside 7,465,000 gallons held for over-due taxes, making in the whole about 73,500,000 gallons upon which taxes have not been paid. The amount of this tax would be \$66,150,000. The above facts are given simply to show what our Government has done and is doing for one class of its citizens, and by inference to inquire why it should not extend similar privileges, only to the people are demanding its trial, and their demands are sure to be heeded in the end.

A most unfortunate condition is reported in Greenville county, Virginia. There was a complete crop failure there from drought, and many farmers of the county are in need of seed and food. While visiting Richmond last week Col. Robert Beverley, of The Plains, assured himself that the reports were true, and acting on the idea that he who gives quickly relieves doubly, immediately arranged for the transportation of a car load of corn, his individual donation, to be supplemented by another from the Alliances of Fauquier county. The secretary of the Greenville County Alliance, J. H. Cato, of Emporia, has been selected to receive and distribute whatever may be sent, aided, of course, by necessary committees. The need of the Greenville brethren is great, and the more fortunate Alliance members should help from their plenty. Money is very scarce, but grain can be spared by many sections, and no doubt the railroads will lend their aid without charge, as was done in the case noted.

collateral security at any bank, and to-day fully \$70,000,000 of credit currency is obtained upon this class of securities, and why not? The bond assures the payment of the tax, and the Government is the custodian of the property. The ageing of the liquor pays the interest, and when it is sold the dealer pays the tax. In this manner the distillers obtain the use of this vast amount of money absolutely free. Is it unfair to ask that the farmer may have equal privileges with the distiller? Is not the farmer worthy of as much consideration from the Government? Why can not the farmer be permitted to take his grain to Government warehouses for care and safe-keeping. The distiller is allowed to do so after the grain has been transformed into spirits. The banks have a credit with the Government of over \$200,000,000 that returns them a profit. The distilleries a credit of \$70,000,000 that costs them nothing. Why can not the farmer have a credit that he is willing to pay for? The sub-treasury plan contemplates the same line of legislation, only much less complicated and far more satisfactory. The same statutory laws that now govern the warehousing of spirits with but few amendments, would apply to the sub-treasury system. The innovation upon law and custom would cut no figure. It violates no organic law and establishes no new precedents. There are 4,349 registered distillery warehouses, which is more than double the number of sub-treasures that would be required to carry out the sub-treasury plan for many years. The cost of conducting them certainly could be no more. Here is found a system already in force, that with few amendments, would meet the requirements of the sub-treasury plan. The proposed plan is, therefore, taken out of the province of theory, and becomes simply a question of application. The people are demanding its trial, and their demands are sure to be heeded in the end.

THE NATIONAL ECONOMIST.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 4.

There is much more that might be written upon the first issue of legal-tenders and five-twentieths. It will be necessary, however, to make mention of them many times hereafter in discussing the financial affairs of the nation. Act of March 1, 1862, authorized the issuing of certificates of indebtedness bearing 6 per cent interest, and limited to denominations of \$1,000 or above. Through this scheme the large contractors could get their pay, but the smaller ones could not. In this manner the man of moderate means was compelled to give way to the more wealthy. At this point began that system of enormous contracts that has made millionaires at such a rapid rate by cheating and plundering the Government. Men of means, who could give bonds, were awarded the contracts. These were subtle a number of times, each making a profit by some unfair advantage, until the real producer was compelled to resort to fraud in order to have any margin of gain. It is a lamentable fact, that such transactions did not end with the war, and are with us at the present time. \$56,175,324.13 of these certificates were issued.

The act of March 17, 1862, provides in the first section for the sale of bonds on any terms for coin. This was necessary, because the coin interest must be met, and the restriction to market rate had prevented the sale of bonds to any great extent. In the meantime the banks had been unloading what bonds they had taken before suspension.

Section 2 of the act added the legal-tender quality to the demand notes. At that time there were three kinds of Government notes, the seven-thirties of 1861, convertible into the twenty-year-sixes of the same act; the demand notes which drew no interest were not convertible into anything but greenbacks, and were receivable for imports, and the greenbacks, which were worth 98 cents in coin. The demand notes were at that time worth more, and the seven-thirties a little less than greenbacks. It will be seen that paying duties on imports was a use that conferred more value at that time than either 7.3 per cent interest, or 6 per cent in coin, or legal-tender, and also that the use of greenbacks to pay debt was better than such interest. Now, by this act, both uses were added to the demand note, and it became worth as much as coin. It stayed at or above par with coin from that time till this, and is proof positive that the "except" did depreciate the greenbacks. It shows further, that a note, like bullion, when coined into money ceased to be valued for its prospective redemption. It becomes immediately valuable, because immediately useful. Few men want gold as bullion, and few men

want notes as investments, especially without interest. Make either, however, into money, and it becomes universally accepted, because all need money to exchange goods, and to pay debts and taxes.

Section 3 of the act, increased the temporary deposits to \$50,000,000. These certificates were convertible on ten days notice, and served the purpose of money in clearing-house operations and other like business between banks. If they had not been issued, the greenbacks would necessarily have been held for that purpose. They enabled the banks to secure a currency among themselves drawing 5 per cent interest, thereby avoiding so much of the loan represented by the greenbacks. The interest on these certificates was practically a gift to those who used them.

The act of July 11, 1862, provided in the first section for \$150,000,000 more of greenbacks, not more than \$35,000,000 to be of denominations below \$5. It also authorized the Secretary to exchange 5-20 bonds for greenbacks on such terms as he should think most beneficial to the public interest.

About this time the first bill providing for taxation to carry on the war was passed. In this bill was levied stamp taxes upon notes, checks, etc. All taxation on bank notes, however, was carefully avoided, and a discrimination was made in favor of banks of issue as follows: "Bankers shall pay \$100 for each license."

"Every person shall be deemed a banker within the meaning of this act who keeps a place of business where credits are opened in favor of any person, firm, or corporation, by deposit or collection of money or currency, and the same or any part shall be paid out or remitted upon the draft, check, or order of such creditor; but not to include incorporated banks, or other banks legally authorized to issue notes as circulation." It would seem as though Congress considered it essential that this peculiar franchise should be protected and fostered in every possible way.

It was no part of the capital of the bank; it was but a privilege granted by law, and one of great value, no less than that of making paper as valuable as money, inasmuch as it brought them the same revenue. The act of July 17, 1862, gave to the people what finally evolved the old fractional currency, the best and safest small currency the country ever had. The following is a concise statement of the different acts connected with it:

On the 17th of July, 1862, Mr. Hooper, of Massachusetts, introduced in the House of Representatives "A bill to authorize payments in stamps, and to prohibit the circulation of notes of less denominations than one dollar," accompanying his remarks with the following letter from the Secretary of the Treasury:

TREASURY DEPARTMENT, July 14, 1862.

SIR: The depreciation of currency, resulting in great measure, from the unrestricted issues of non-specie-paying banks and unauthorized associations of persons, causes the rapid disappearance from circulation of small coins. To supply the

want of these coins, tokens and checks for sums less than one dollar are being issued by hotels, business houses, and dealers generally; and the most serious inconveniences and evils are apprehended unless these issues can be checked and the small coins of the Government kept in circulation, or a substitute provided. These objects may be accomplished by the extension of the principle of the act of February 21, 1853, to the United States notes. By that act the weight of the small coins was reduced, so as to make their actual less than their nominal value, in comparison with gold. If, during the existing troubles, the weight should be still further reduced, so as to establish a similar relation between these coins and the United States notes, it is highly probable, if not quite certain, that the coins will be retained in circulation. Of course, any enactment with this object should be accompanied by a prohibition of the circulation of tokens and certificates for fractional parts of a dollar, and should be limited in duration to the existing insurrection. Should Congress see fit to adopt this expedient, a return to the existing basis, on the termination of the insurrection, will be practicable and easy. The same object may be accomplished, and perhaps with less incidental evil consequence, by a similar prohibition, accompanied by a provision for the receipt of postage and other stamps in payment of the fractional parts of a dollar. For the convenience of the committee, I inclose two bills prepared upon the principles just indicated.

S. P. CHASE,

Secretary of the Treasury.

HON. THADDEUS STEVENS,
Chairman of the Committee of Ways and Means,
United States House of Representatives.

The bill passed both houses without debate, and was signed by the President the same day. The act as approved July 17, 1862, is as follows:

That the Secretary of the Treasury be, and he is hereby, directed to furnish to the assistant treasurers, and such designated depositories of the United States as may be by him selected, in such sums as he may deem expedient, the postage and other stamps of the United States, to be exchanged by them, on application, for United States notes; and from and after the first day of August next such stamps shall be receivable in payment of all dues to the United States less than \$5, and shall be received in exchange for United States notes when presented to any assistant treasurer or any designated depository selected as aforesaid in sums not less than \$5.

That from and after August 1, 1862, no private corporation, banking association, firm, or individual shall make, issue, circulate, or pay any note, check, memorandum, token, or other obligation, for a less sum than \$1, intended to circulate as money, or to be received or used in lieu of lawful money of the United States; and every person so offending shall, on conviction thereof in any district or circuit court of the United States, be punished by a fine not exceeding \$500, or by imprisonment not exceeding six months, or by both, at the option of the court.

The fourth section of the act of March 3, 1863, provides:

That in lieu of postage and revenue stamps for fractional currency, and of fractional notes, commonly called postal currency, issued or to be issued, the Secretary of the Treasury may issue fractional notes of like amounts in such form as he may deem expedient, and may provide for the engraving, preparation, and issue thereof in the Treasury Department building. And all such notes issued shall be exchangeable by the assistant treasurers and designated depositories for United States notes in sums not less than \$3, and shall be receivable for postage and revenue stamps, and also in payment of any dues to the United States less than \$5, except duties on imports, and shall be redeemed on presentation at the treasury of the United States in such sums and under such regulations as the Secretary of the Treasury shall prescribe: Provided, That the whole amount of fractional currency issued, including postage and revenue stamps issued as currency, shall not exceed \$50,000,000.

The fifth section of the act of June 30, 1864, covers substantially the same ground as the preceding act. Under the authority granted by these several acts fractional currency of various denominations has been issued, amounting in the aggregate to \$368,720,079.51, including reissues.

THE NATIONAL ECONOMIST.

OFFICIAL.

From the National Committee on Legislation.

In response to communications requesting the National Legislative Committee to express in plain terms and in full the position of the National Order upon action necessary in regard to the declaration of the Supreme Council in favor of the Government ownership of railroads, and questions asking information as to what course the membership should pursue when Government ownership is not an issue, the committee makes the following reply, and publishes the same to the order at large for the purpose of being thoroughly understood by the membership, to the end that all may act in harmony and concert.

8. Under a good system of Government control, by a competent commission or otherwise, combinations between railway corporations, whether continuous or so-called competing lines, ceases to be a matter of concern, because they can, in fact, be better controlled in a few hands and with few conflicting interests than with many. Let the control be wise, just, and conservative, but efficient and certain.

9. The above summed up is: Railways are monopolies. As monopolies they must be under efficient government control. The cry of competition between railroads is a delusion calculated to deceive and injure the farmer. Under efficient government control combinations are not to be dreaded, and railway combinations can not be combinations calculated to obstruct or suppress competition, because there is no such thing as railway competition. All agricultural States which do not control the railways by a railway commission should use every effort to secure such control at the earliest day possible.

JOHN H. RUSSELL.

Pres. F. A. and I. U. of Ark.

KENTUCKY.

Clinton, 1 o'clock, April 2.

Mayfield, 1 o'clock, April 3.

Calvert City, 1 o'clock, April 4.

Princeton, 1 o'clock, April 5.

Morganfield, 1 o'clock, April 7.

Owensborough, 1 o'clock, April 8.

Madisonville, 1 o'clock, April 9.

Hopkinsville, 1 o'clock, April 10.

Russellville, 1 o'clock, April 11.

Bowling Green, April 12.

Lexington, April 14.

Winchester, April 15.

Mount Sterling, April 16.

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.

Collin County Farmers Alliance Resolutions. Whereas the combination known as the jute trust, by its unholy league, seeks to enrich themselves at the expense of the farmers of the cotton producing States, and, whereas it is to the interest of the cotton planters that the consumption of cotton fabrics should be extended; and whereas there exist no "protective tariff" laws which can be said forwards the interest or prosperity of the cotton producers;

Therefore, be it resolved by the Collin County Farmers Alliance in the State of Texas, that we demand of our representatives in Congress, that they use their greatest efforts and influence in securing the passage of a law which will place a tariff of at least fifty cents a pound on all jute importations, both raw material and manufactured goods, as may be imported into the United States hereafter.

Adopted by the Collin County Farmers Alliance in open session, February 15, 1890, and ordered sent to THE NATIONAL ECONOMIST for publication.

LINN TANNER,

D. C. FLIPPEN,

K. K. KERR,

Publishing Committee.

they refuse to do this, then the Government must, as a matter of protection to the people, own and conduct them as purely public necessities.

8. Under a good system of Government control, by a competent commission or otherwise, combinations between railway corporations, whether continuous or so-called competing lines, ceases to be a matter of concern, because they can, in fact, be better controlled in a few hands and with few conflicting interests than with many. Let the control be wise, just, and conservative, but efficient and certain.

9. The above summed up is: Railways are monopolies. As monopolies they must be under efficient government control. The cry of competition between railroads is a delusion calculated to deceive and injure the farmer. Under efficient government control combinations are not to be dreaded, and railway combinations can not be combinations calculated to obstruct or suppress competition, because there is no such thing as railway competition. All agricultural States which do not control the railways by a railway commission should use every effort to secure such control at the earliest day possible.

1. Railways under the present system of combining ownership of road-bed and rolling stock in one franchise, either individual or corporate, constitute a complete and true form of monopoly.

2. A monopoly is any kind of occupation or business in which there is no competition, and in which the effects of competition can not be applied to regulate discriminations, abuses and excessive rates.

3. Monopolies, when left to individual management without efficient government control, become a serious infringement upon the rights of the people, because they possess the power to levy tribute at will, and are in direct conflict with the spirit and genius of our institutions.

4. The Government, therefore, has no right to farm out to a class of persons, either individual or corporate, the absolute right to conduct a monopoly, because by so doing it would be giving such class the "special privilege" enabling them to collect tribute from all other classes.

5. If the Government allows these natural monopolies to be owned and conducted by private enterprise and capital, a plain duty it owes to every citizen is, that it exercise a control so efficient that abuses and discriminations will be suppressed.

6. The effect of rate wars (sometimes erroneously styled competition) at the so-called competing points, has been to raise rates at all towns along the line of the various roads, and has thereby been simply a method of taking from the country and giving to the city, hence nothing could be more deceptive than to advocate such "competition" as a benefit to agricultural interests. The fact is, that this falsely called railway competition has been one of the most potent causes for the modern growth of cities at the expense of the country, when under correct conditions the growth of one should be a benefit and a source of congratulation to the other.

7. All the existing evils and abuses can be abolished by a wise and efficient system of Government control, provided the railways submit to and assist the Government in inaugurating and applying a system so perfect that the rights of all parties concerned will be respected and the public benefited. If

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

Lecturer Ben Terrell's Appointments.

TEXAS.

Corsicana, Saturday, March 1.

Eunis, Monday, March 3.

Dallas, Tuesday, March 4.

Cleburne, Wednesday, March 5.

Fort Worth, Friday, March 7.

Denton, Saturday, March 8.

Gainesville, Monday, March 10.

Sherman, Wednesday, March 12.

Benham, Thursday, March 13.

Paris, Friday, March 14.

Texarkana, Saturday, March 15.

ARKANSAS.

Jonesborough, Craighead county, March 17.

Forest City, St. Francis county, March 19.

Stuttgart, Arkansas county, March 21.

Toledo, Cleveland county, March 22.

Hope, Hempstead county, March 24.

Arkadelphia, Clark county, March 25.

Malvern, Hot Springs county, March 26.

Searcy, White county, March 28.

Batesville, Independence county, March 29.

All district, county, and subordinate officers are earnestly requested to be present, as Brother Terrell, after public speaking, will speak privately to the members of our order. Brother W. S. Morgan will accompany Brother Terrell through the State. The brethren will make the necessary arrangements for speaking, both public and private.

JOHN H. RUSSELL.

Pres. F. A. and I. U. of Ark.

KENTUCKY.

The National Economist

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

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, ONE DOLLAR PER YEAR.

Advertisements inserted only by special contract. Our rates are 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.

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,

WASHINGTON, D. C., AS

SECOND-CLASS MAIL MATTER.

SUBSCRIBERS ordering a change of address, or renewal of subscription, should state the old as well as the new address.

THE NATIONAL ECONOMIST Almanac is sold at 15 cents per single copy, post paid, or 12½ cents per copy in clubs, regardless of number.

THE second edition of THE NATIONAL ECONOMIST Almanac is now being bound for distribution, and the many orders on file will be filled as rapidly as they can be mailed in the order received.

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 sent care should be taken to make it impossible for them to adhere together, and only the one-cent denomination inclosed.

HARRY TRACY's great lecture, delivered in Texas and published in THE NATIONAL ECONOMIST of February 1, 1890, is now offered the public in pamphlet form, as follows: 10 copies, 25 cents; 50 copies, \$1.00; 100 copies, \$1.75; 1,000 copies, \$15.00. Delivered to any address postpaid.

A KINGLY PLAN OF RELIEF.

In 1763, after a disastrous war of seven years in which he had contended with the strongest powers of Europe in combination against him, Frederick II of Prussia effected a treaty of peace at Hubertsburg, by which Maria Theresa withdrew claim to Silesia, the exciting cause of conflict. As the monarch returned to his capital he was met by delegations of farmers from various provinces through which his road led, who represented that the country had been overrun, and they were destitute of food and seed. The royal promise was given that whatever relief lay in his power should be granted. Every horse that could be spared without endangering the country in case of sudden attack was delivered up to the needy farmers, and the military storehouses were drawn on for seed for a crop. In one province 8,600 houses were rebuilt which had been destroyed, and the most distressed sections relieved from taxation, in Silesia the term being two years and in others shorter exemptions, as need suggested. In the work of recuperation, which took several years of constant application, those cities which had been fined by invaders under threat of fire had the

money returned to them, and the Government accepted as the burden of the whole people the financial disaster incident to the national defense. The fourth and fifth years after peace were crop failures, and in some provinces the speculators ran the price of rye, the bread of the people, up to five thalers (\$3.65) per bushel. The policy of the government had been to hoard grain for a time of military need, and the storehouses were opened and rye distributed at the price which the government paid for it in normal markets; thus causing disaster to the speculators and relief to the masses. A bank of 8,000,000 thalers capital was started in Berlin by the king, who seems in every instance to have moved to relieve his subjects from extortion by usurers. Finding that agriculture was not relieved by the bank, but lagged in the march of progress, Frederick took a step which entitles him to more praise, and better earned the distinction of "Great" generally affixed to his name than every other act of his busy life, and which was one of those victories more renowned than any on the battle-field. The king seems to have realized the power of money to oppress in the condition of scarcity, the process of lowering values from the scarcity of war and famine being in active operation at the time, and the coinage being restored to standard value after very great debasement during the war period. The land-owners of Silesia were yet the greatest sufferers, and the king founded in that province a system of co-operative banking, by which the land-owners unitedly pledged the whole land of the province to the government, which in turn raised money on its own credit as if for a public loan. This money was lent to the association of land-owners at the rate it cost the government, being in the form of land stock, guaranteed by the government and transferable at pleasure. The immediate effect of this placing the government's credit at the disposal of the farmers was a fall in interest throughout the country to the government rate, and the people were freed from the power of money to oppress. This system was extended through other provinces with like beneficial result.

It is pertinent to note that there yet remains something of this system of co-operation among the people of Germany, and it is stated that it is a means of great prosperity, having done much to raise the condition of agriculture where tried. Just substitute the use of the products of the people for the credit of the Government, and the operation of the sub-treasury plan would be almost identical with that devised by Frederick the Great, who has been credited by history with having performed almost a miracle of statesmanship in leading his country to perfect recuperation, despite failure of crops and the disasters of war, together with the necessity for an army absolutely upon a war footing and all the preparations for war necessary by contiguity of enemies who were constantly prepared, and whose hostile de-

monstrations were prevented by fear of the military prowess of Prussia rather than honest unwillingness to be guilty of any breach of national peace.

THREE REFORMS.

The Democratic party, or ex-President Cleveland for the party, puts forward three reforms, each important and very necessary, viz: tariff reform, ballot reform, and civil service reform. Why is the ex-President, why is his party silent with regard to a fourth reform, which is greater than these three, to wit, financial reform. Though they give their bodies to be burned for the three reforms they have proclaimed, and have not financial reform in all their thoughts, let them know it shall profit them nothing. It will be in vain that any candidate or any party expects to gain the agricultural vote in the next election without an explicit pledge that the whole financial system of the Government shall be thoroughly reformed, so as to give the people a sound currency, based on permanent conditions, and the volume of which there shall be no national bank to contract and expand agreeably to the demand of speculators and stock-gamblers, who own and control the bank, the Government being privy to the fact.

And this pledge must be made to be performed, not to be broken. The Government has too much money, the speculators have too much, the people not enough. The rich pay little or no tax on the great bulk of their investments and their enormous gains; the people are ground to death by an enormous load of taxation. The people are in debt, and now the speculators propose to confiscate their homes, and backed, as now, by all the financial powers of the Government they will do it without fail. It is therefore financial reform that most mightily interests the farmers of America. Throw over your three tubs to the whale, but the belly of the whale will be empty still. If it is to be a campaign of three tubs, there will be a fourth tub in the field, and it will prevail against the three.

The people must have more money and less taxes, and no ifs and ands about it. They must have, moreover, a sound and plentiful currency, the volume of which shall be wholly beyond the power of speculators, stock gamblers, foreign syndicates, and money kings to affect, still less to control. The situation of the people is desperate, which to deny is foolish and vain; nor are they to be amused by any partisan tactics while their necessities go unheeded. Are we still to be told that nothing is the matter with the people but a little temporary depression and a great deal of unnecessary grumbling? It is a "very fiend's arch mock."

It is not a case with the people to be cured by temporizing or by homeopathic dosage, as, for example, a little free wool on the one hand, or free alcohol in the arts on the other. This sort of thing will never do. We must go to the root of the evil without more ado. The people want assurance from the

party they support and the candidate they vote for that there shall be no more Wall-street administration in this country. No party, no candidate, will receive the agricultural vote without an effectual pledge to that effect. The people are weary of partisan rancour and endless debate from theoretical stand-points. They want more money and less taxes, and they want these things now.

FARMERS' MUTUAL INSURANCE.

Mr. A. Wardall, of Huron, S. Dakota, the superintendent of the Alliance Insurance department of the Dakota Alliance, and a member of the National Farmers Alliance and Industrial Union Executive Board and Legislative Committee, has been in the city for some days arranging to establish a system of economical insurance for the Alliance on a national basis.

We have examined the proposed plan, and believe it can be made a great success and save members of the order money while giving them safe and satisfactory protection. It is a notorious fact that hundreds of millions of dollars are annually paid out in the United States as premiums on insurance, less than one-half of which is returned for losses. Next to the banks and railroads in point of national waste comes the exorbitant insurance system, and any method pointing out a path of escape will be gladly welcomed. Mr. Wardall's phenomenal success in his own State in establishing and carrying on the Dakota Alliance insurance department is a strong endorsement of his fitness for the greater work before him, which is simply to introduce in all the States the same plan that has succeeded there. Briefly, the proposition is to establish a national insurance department, with headquarters at Washington, under supervision of the National Alliance, with a State department in each State working under the auspices of the State Alliance, confine its work to members of the Alliance in good standing, and do the business on the lowest possible net cost basis.

The life branch is known as the Alliance Aid Association, and is almost identical in character with the United Workmen, save that it accepts men and women on the same footing. The fire department is a joint stock company, with a capital of \$200,000, which is necessitated by the laws of many of the States; but with the exception of paying a small dividend for the use of the money, it will be carried on as a mutual, or the States can each put up their proportion of the securities and have them non-dividend bearing; but when it is remembered that interest and dividends are now paid on untold millions of capital, a paltry \$200,000 doesn't look very large. The work has been indorsed by many States, and nearly all the officers of the National and State Alliances, and is worthy of careful consideration.

Appended is the statement of the State examiner, which speaks for itself, and we trust the State officers will examine the detailed plan, which will be sent in full upon application to Alliance Insurance Company, Huron, S. Dakota, or care of THE ECONOMIST office.

HURON, DAK., January 30, 1890.

To whom it may concern:
I have examined the Alliance Aid Association of Huron, South Dakota, and find that the system adopted by them is very comprehensive, and I believe one of the best assessment life plans now in use. And I am convinced that none but the very best of risks are accepted, which will make the rates of death losses very light. The management is very economical, and I believe the association has a remarkably bright future, and can cheerfully recommend it to the public.

Yours respectfully,

C. F. MERRY,
Ins. Examiner of Dept. of N. Dakota.

NATIONAL AMERICAN WOMAN'S SUFFRAGE CONVENTION.

A notable convention of the women of the United States, prominent in the work of securing the ballot for their sex, has been in session at Lincoln Hall in this city. There was a large attendance, and the immense hall was packed daily and nightly to hear the earnest and eloquent speeches and papers. A consolidation of the two national societies, heretofore working as the American and the National, was effected, with these two grand veterans in the work—Elizabeth Cady Stanton as President, and Susan B. Anthony as Vice-President: Miss Alice Stone-Blackwell, Boston, and Miss Lucy Anthony, Secretaries, Mrs. Spofford of Washington, Treasurer, and Lucy Stone as Chairman of the Executive Committee. Mrs. Stanton opened the meeting with a grand address that should be read by every American, and the speeches of Hon. W. D. Foulke, of Indiana, Isabelle Beecher Hooker, Elizabeth B. Herbert, Laura Ormiston Choat, of England, Mrs. Colby, Rev. Olympia Brown, Rev. Anna Shaw, Mrs. Zerelita Wallace, Congressman Pickler of South Dakota, Julia Ward Howe, H. B. Blackwell, Laura M. Johns, and a dozen others, were well worthy the noble cause they advocate, which is the upbuilding of the human race by giving to each and all a full measure of justice.

The reply to this assertion, like the reply to the assertion of the purpose of facilitating through business by railway pools, is twofold. First, it is conclusive that the form of combination assumed by the industrial trusts does not invite improved business methods, or greater activity in adopting the latest and most economical industrial processes. It is evident that there might be and have been combinations for such purposes; but such combinations do not naturally take the form of trusts. It would be quite possible for the members of an industry to unite in order to adopt throughout the entire industry some new invention which would give the increased production; but in order to do so it is not necessary to put the controlling interest of every establishment under a single guardianship. The members of a single commercial interest might unite in order to facilitate the operation of buying and selling; but to do so they do not find it essential to adopt the form of organization that takes away the independence of each member under it. It has been alleged with regard to two of the leading trusts, namely, the Standard Oil combination and the cotton seed oil trust, that they controlled patents which greatly improved production. The value of the assertion may be seen in the fact that the Standard Oil trust patents never interfered at all with the ability of other petroleum refiners to compete when they had equal chances in transportation; while the cotton seed oil trust patent has not proved sufficient to avert the entire defeat of that combination, as was confessed at its recent meeting. Combinations to facilitate transactions of buying and selling are common among the mercantile interests of the great cities; but the essential difference between

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. 44.

THE SOLE PURPOSE OF THE TRUST.

Another leading argument in favor of trusts is the allegation that they seek to establish improved business methods. This assertion is made by nearly all the advocates of the trust system in various forms, of which the following quotation from Mr. S. C. T. Dodd's pamphlet is an example: "The mistake of all writers on trusts and combinations consists in assuming that all combinations are for such purposes, whereas the purpose and effect of most combinations is just the reverse of this, namely, to lessen the cost of production, increase the amount of consumption, and distance competitors by selling at less prices." Besides this, Mr. Dodd in the same pamphlet makes detailed specifications of improved methods which he claims for the credit of the Standard Oil trust.

The reply to this assertion, like the reply to the assertion of the purpose of facilitating through business by railway pools, is twofold. First, it is conclusive that the form of combination assumed by the industrial trusts does not invite improved business methods, or greater activity in adopting the latest and most economical industrial processes. It is evident that there might be and have been combinations for such purposes; but such combinations do not naturally take the form of trusts. It would be quite possible for the members of an industry to unite in order to adopt throughout the entire industry some new invention which would give the increased production; but in order to do so it is not necessary to put the controlling interest of every establishment under a single guardianship. The members of a single commercial interest might unite in order to facilitate the operation of buying and selling; but to do so they do not find it essential to adopt the form of organization that takes away the independence of each member under it. It has been alleged with regard to two of the leading trusts, namely,

Henry B. Blackwell, of Boston, showed by the census reports that if the Southern States would grant suffrage to women, based on an educational qualification, i. e., the ability to read and write the English language, it would permanently and overwhelmingly place the balance of power in the hands of the white race and settle, without colonization or intimidation, the vexed question. Now, would our Southern friends rather have the balance of power in the hands of ignorant black male voters, or in the hands of their own wives, mothers, sisters and daughters? Rev. Olympia Brown also showed that in the North woman's enfranchisement would replace the balance of power in the hands of the native American voters. These questions are well worthy of our thoughtful consideration. It was decided, in view of the provision in the South Dakota constitution requiring a vote to be taken at the general election in November next on the question of woman's suffrage, to concentrate their efforts upon that State, and more than \$5,000 was contributed on the spot to send lecturers and literature into that State. Mr. Alonso Wardall, who represents the Alliance of South Dakota, and is also a member of the State Suffrage Association, is very sanguine among the mercantile interests of the great cities; but the essential difference between

boards of trade and exchanges on one hand and the trust on the other is shown by the fact that the former actually facilitate competition, while the latter are devised entirely without any idea of facilitating mercantile transactions, and solely with the idea of preventing competitive business.

Beyond this, the method of combination which consists in placing the ultimate control of the entire industry under a single guardianship is not intended to produce better business methods, or stimulate the adoption of improved industrial processes, for one great reason; that is, that the different corporations or business establishments combined within the trust remain under exactly the same immediate management and supervision as before. The trust leaves every corporation or every firm combined under it to run its own works by the same business methods as formerly. It does not reorganize the various establishments placed under its control. It does not establish any system of punishing incompetent management or stopping inefficient work. It only takes away the incentive to economy, industry and enterprise that is afforded under competition to the industrial or mercantile concern that most thoroughly and faithfully develops those qualities. The establishment controlled by a trust or pool which conducts its operations by careless or inefficient methods will draw just the same proportion of profit from the central organization as if it adopted the most enterprising and improved policy of conducting its business. The form of combination which leaves the management and operation of the various concerns wholly unchanged, save in the respect of taking away from them the incentive to economy, activity and enterprise, has no right to present the purpose of improved business methods as one of its objects.

This argument, as to the purpose as shown by the form of combination, is rendered indisputable by the results of industrial trusts. The assertion that the trust combination is intended to produce the best economic results, is overwhelmingly disproved by the facts. It is not the best economic system to make an industry support the cost of an overwhelming mass of wholly fictitious capital; yet this is what every trust either attempts to do in its inception, or finally accomplishes in its success. The Standard Oil Trust, by virtue of its triumphant achievements in the way of excluding competition, has built up a capitalization of nearly \$150,000,000 by the market value of its certificates, on an actual valuation of works and property of less than \$50,000,000. The Cotton Seed Oil Trust, when it found its monopoly defeated, confessed the inflation of its stock, by reducing the capitalization of the new organization to one-half the total of the former. The White Lead Trust, one of the most recent combinations of the sort, has been shown by sworn testimony to have issued its certificates in the ratio of \$4 of capitalization for \$1 of actual valuation.

The Sugar Trust in the Congressional investigation, was proved in one of the minor, and presumably the less inflated, transactions which went to make up its total, to have issued certificates at the rate of \$2 for \$1 of the actual price, at which the works in question were put into the trust. To allege economic production for a systematic process of imposing upon industry the cost of hundreds of millions of fictitious capital, is little short of impudence.

Neither is it economic production to fasten upon an entire industry the cost of keeping works idle. It is not economic production to buy pipe lines, to include the cost of those pipe lines in the total amount of capital on which the entire combination must earn profit, and then to tear up the pipes and reduce the property on which a portion of the capital is founded to an actual nullity. Yet exactly these things with regard to refineries and pipe lines in the petroleum combination, and with regard to sugar refineries in the Sugar Trust, have formed leading characteristics of the trust policy. Under competition it is often the case that factories are forced to go into idleness; but the important fact remains, that in such cases, the loss and cost of such idleness falls exclusively upon the idle concerns. The penalty of bad management and poor methods is enforced under competition, and laid solely upon the idle factories; while under the combination system, the effort and result is to escape that penalty, and to impose the cost of idleness for a large share of the industry upon the consumers.

The last and most convincing proof of the utter falsity of this plea of the trust combinations aiming at the most improved economic process, is furnished by the result in the case of the combinations which have been defeated. When the trusts have failed in their attempt to include within their control all the competing establishments, and have found that, notwithstanding their organizations, they must still conduct their business subject to the great force of competition, their defeat has been acknowledged. And what has been the result? If the trust combination was of the sort which yielded the best economic results, it is evident that by retaining that form of organization, they could continue to carry on their business against the independent competitors at an advantage. But the actual experience has been the contrary. The utter unsuitability of the trust combination for securing the best business methods, has been confessed by the fact that every trust has, when defeated in its grand object of suppressing competition, abandoned the trust organization, and has sought greater strength, more responsible management, and improved business policy as a corporation. This is the practical and convincing testimony of the trusts themselves, that for actual business efficiency, the corporate form of organization is far superior to the trust method of combination.

This plea of bringing increased capital in-

to the business, and that of securing the best methods for conducting business, and the most improved processes for industrial work, are clearly and unmistakably shams and frauds. What then is the real purpose of the trust combinations? Every one knows it well enough. The trust advocates make no pretenses, except where it is necessary to hoodwink legislative bodies, or to conciliate public opinion; the public knows it well enough. All the allegations other than the true aim of the combination, are attempts to mislead and prevent the public condemnation that is founded upon the general perception of the real purpose. The object of the combination appears both in the form of the organization, and in the policy of the organizations after they have been put into actual operation.

The form of combination which simply brings under a common control a large number of competing establishments, which leaves those establishments under their original organization, but only destroys their autonomy by giving to the central body the authority to dictate to them at what prices they shall sell, when they shall run, and when they shall suspend operations, can have but one purpose, that of suspending competition. The combination which divides the profit of an industry among its various members, not in proportion to the amount and quality of the output of each member, but in proportion to the share of the combined and inflated capital of the whole which each member may hold in the combination, aims at only one thing, namely, taking away the incentive of competition to increased production and improved quality. For every other purpose save the one of obstructing competition, the trust form of organization is unsuited and inefficient. For that purpose it is a cunning and ingenious device. So far as human ingenuity can provide, it presents the method of combination which will suspend the competition that reduces the profit of such industries to a level with the ability of the masses to obtain profit from their works.

This characteristic and solitary purpose of the trust combination in industrial organizations, appears even more plainly in their history. It is to be remembered that the trust is not the only form of combination adopted in the attempt to suppress industrial competition any more than in railroad history. The same object has been sought by agreements to sustain prices, by agreements to divide territory and by pools. Some of these agreements have, in the past, proved moderately lasting in their efforts to uphold prices. The majority, however, have proved inefficient, and the final result of all the attempts to abolish competition by means of agreements and pools in various industries, was the organization of this most enduring and highly protected device solely with regard to that single aim. The trust is as much the successor of the pools in industrial combination, as the pools are the successors of the agreements in railroad combination.

The general appreciation of the common purpose of all these combinations is shown by the popular tendency to designate a large number of industrial combinations which really are no more than pools and agreements by the generic, and to a certain extent, the legitimate stigma of trusts.

No one ever heard that the industrial pools had the purpose of bringing increased capital into the business, or establishing the best methods of operation, or the most advanced industrial processes. The assertion would have been too ridiculous; it would have carried its own disproof too clearly upon the face of it. Yet, the sole reason why the pools were discarded wherever that has been done, and why the trust device was substituted, has been that the pools were found to fail of their purpose of suspending competition. The various members of the pools being unable to resist the inducement to compete, notwithstanding the pooling conditions, a form of organization was sought which would take away this dangerous independence and render them wholly and permanently subject to the united control. This form of organization was found in the trust. The knowledge that if any of the officers of any single establishment should yield to the inducement of competition notwithstanding the orders of the trust or central authority, they would lose their position, was calculated to put the most complete and enduring check upon competition. It was calculated to secure no other result; it was intended to secure no other result. It was resorted to because previous devices had failed to suspend competition, and the sole purpose was to secure the result which had been aimed at before, but which had not been attained so perfectly as the trust device was expected to realize.

The unvarying policy of the trusts, after they have gone into operation, has been in harmony with this purpose of suspending competition, and with no other purpose. The device of enforced idleness for a part of the industry in order to restrict production and prevent the supply of the staple from being so large as to force its sale at reasonable prices, has no harmony with the deceptive allegation of improved methods and increased production; but it is in perfect harmony with the purpose of increased profit by the suspension of competition. The policy of forcing profits upon a large amount of idle or fictitious capital is possible with suspended competition, and is incompatible with any other purpose. The carrying of the trust policy to such length as the most successful and remorseless of the trusts have done, showing the emptiness of the plea of increased capital by actually destroying the capital engaged in the industry, and tearing up pipe lines, dismantling refineries, and allowing to go to ruin and decay, is exactly the opposite of any legitimate purpose of industrial organization. But the limitation of production is exactly in harmony with the aim of increased profits for the combined industry, including dividends on

the capital wiped out of existence by means of the grand and universal aim of all this class of combination, namely, the suspension of competition and the abolition of the force which requires each industry to conduct itself upon the most economic principles.

Finally, the historical proof of the purpose of the industrial combination is furnished by the admission, not of the trust advocates in their own arguments, but in the practical course of the trusts themselves. Industrial pools have been organized and brought into operation, and the universal course has shown that the test of their success was the completeness with which they enabled prices to be sustained above the competitive level. When competition was abolished the industrial pools were successful; when competition proved too powerful for them their defeat as acknowledged and they went to pieces. Exactly the same thing has been done with the trusts. At present two of the leading trusts which for a time claimed brilliant success by means of their ability to abolish competition have acknowledged their defeat, because competing establishments have grown up in despite of them.

In trusts, as in pools, the success of the combination is measured solely and entirely by their ability to close off competition and maintain arbitrary prices. It was the success of the Standard Oil trust in wiping out and swallowing up competing establishments and in making the great mass of producers and consumers pay for the cost of the operation that made it the model and exemplar of all its imitators. It was the temporary success of the sugar trust in wiping out and swallowing up all competition, and in advancing the price of that staple, that made it the rival of the Standard Oil trust in magnitude, and sold its certificates at a premium to the crowds of speculators who were anxious to share in its legitimate profits. It was the discovery that competition would spring up notwithstanding that organization, and that independent and unwatered capital could take away the profits of the monopoly, that has reduced the certificates of the sugar trust very nearly to the actual par of the investment, and has brought down the price of its staple to a legitimate level. It was the discovery that the cotton seed oil trust and the whisky trust, which were temporarily prominent representatives of the policy of suppressing competition, were unable to prevent the activity of competing establishments in their business that has forced those organizations to acknowledge their defeat and to substitute for the trust policy a new organization under the corporate system.

The object of industrial trusts and pools is, therefore, exactly the same as the object of railway combinations, namely, the suspension of competition which forces the members of any industry or interest to perform their work for the reward fixed by the common willingness of competitors as the legitimate share of the returns of industry.

Resolved, That we vote for an Alliance man in preference to any one else for any and every office in the gift of the people, and that we request each and every member of the order to co-operate with us throughout the United States.

Ordered, That a copy of this resolution be sent to THE NATIONAL ECONOMIST and the Southern Farmer for publication.

THE NATIONAL ECONOMIST.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

THE AGRICULTURAL HORSE.

Some time ago we read a debate by an agricultural club on horse breeding, which was characterized by a vagueness of statement which was to say the least very curious. One of the speakers, when asked whether he preferred a heavy draught or a medium sized horse for agricultural uses, replied that he "liked a horse of some size," and his interrogator, as well as the other members of the club, seemed to rest satisfied that a horse of "some size" is the right thing in agriculture. What is the height of a horse of "some size"? What is his weight? Another speaker preferred a "medium sized horse." We suspect that no two men will agree as to the weight of a "medium sized horse." Some would have him sixteen hands high, others, perhaps, fifteen hands. In the judgment of the writer the best model for a horse for agricultural use in general farming is as follows: Height, fifteen hands two inches; weight in good working condition, 1,200 pounds. This model is submitted to the club, and its judgment requested upon the questions, is that a horse of "some size?" or is it a "medium sized" horse? This debate reminds one of the dialogue on the horse question between the farmer and Deacon Jones' wife. "Says I, Mrs. Jones, madam, was he a sorrel or was he a bay?" And she said he was. And says I, Mrs. Jones, says I, madam, do he pace or do he trot? And she said he did. It is certain that a heavy draught horse is not the coming agricultural horse. These horses average between 16½ and 17½ hands high, and they weigh from 1,750 to 2,000 pounds. These ponderous animals are too heavy and too slow for the great part of the work required of the horse in modern agriculture, and in the condition in which country roads are kept such an animal in wintry weather is liable to mire down with his own weight. These great beasts at nine or ten years old are often slower in their movements than a good yoke of cattle, and they eat in proportion to their weight. They do not graze well, even in the best pastures, and scant pastures will not maintain them. Can we produce the model agricultural horse by breeding mares of 1,000 pounds or under to these immense draught stallions? Not by any means. Mares 16 hands high and of 1,200 pounds weight breed better to them. We think that for agricultural use the largest specimens of these heavy draught breed will be discarded by any good judge of horses. If the heavy draught stallion is selected to cross on common mares to produce a horse for farm use one should be chosen not above 16 hands high nor 1,500 pounds in weight. And the mares bred to them should not fall below 15½ hands nor below 1,100 pounds in weight. Crossed to well-bred mares of that size an excellent agricultural horse is likely to be produced.

A CURIOUS CASE.

The writer about a year ago put out in his fowl yard, occupied by barred Plymouth Rocks, a pair of common Guinea fowls. This pair of Guineas hatched about twenty; all like the parents, except one, which has feathers in its tail and wings and on its breast and back colored and barred in all respects like those of a Plymouth Rock hen.

THE NUTRITION OF PLANTS.

Our knowledge of the functions of the roots of plants is very limited. Our knowledge of the habits of the different species as to the tendency of their roots to ramify most extensively at different depths in the surface, or the sub-soil is disappointingly small. A good practical work on agricultural botany and the philosophy of plants is wanting. It is high time that our National Department of Agriculture should have a fully organized and equipped division of experimental culture at work upon original investigation in the physiology of plants. It is high time that our agricultural colleges and experiment stations were taking a hand at this very necessary work. How far can the spread of the roots be modified by the art of culture? To what extent is root forming available in the culture of ordinary farm crops? and in what way does it benefit or injure the crops? We have at present no accurate scientific data upon which to base any conclusions in regard to any of these important questions. We know that by cutting off the long roots near the base of the stem we shall produce the development of a great mass of fibrous roots above the point of amputation. These fibrous roots are known to be the absorbing or feeding roots, and we thus contract the feeding area of the plant and locate it in such a way as to enable us to feed the plant by concentrated applications of fertilizing materials in the immediate locality of the main development of the feeding roots. We recommend for investigation and study the feeding of plants vs. the manuring of land. In the last ploughing of corn, or cotton, or sugar cane, some practical men insist that we ought to run a "bull tongue" close to both sides of the plant and as deep down as we can get it. What is the effect of this operation? Obviously it is a severe root pruning, and will be followed by a rapid development of feeding roots above the point of amputation. But the practical farmer says it loosens the soil and lets the roots go down deeper where they can get more moisture and get a better hold on the soil. The nursery man puts down a sharp spade close to the stem of his seedlings, not to let the roots down, but to cut them off in order that there may be a rapid and abundant development of feeding roots close around the base of the stem preparatory to transplantation. In like manner, if we intend to move a large sized tree, say from the border of the forest to the lawn, what do we do? We go there at the beginning of spring and strike a circle upon the ground around the base of the stem or trunk, and cut a deep trench all around the tree so as to sever all lateral roots, and we then know that there will be, during the coming season of growth, a very extensive development of fibrous feeding roots close to the base of the trunk. Then after the season of growth is ended, we go and dig the tree and move it to the place prepared for it, having great confidence that it will survive the transplantation because of this dense mat of fibrous roots being easily taken up with the tree. That this principle is of great value and importance in the scientific and skillful feeding of agricultural crops there is no reasonable doubt. If in planting seed we apply plant food in proximity to the position of the seed, we shall encourage the development of feeding roots in that place. When we come to cultivate at a later stage of growth, if we cut off the roots which have spread beyond the place occupied by the plant food, we shall cause a rapid and extensive fresh development of feeding roots

in contract with the manure. Thus, by skillful and scientific distribution of the manure, and the skillful after culture combined we shall enable the plants to receive the full benefit of the food supply we have, perhaps at a heavy expense, provided for them. That a much greater precision in our farm practice would result from a clearer understanding of the science of the nutrition of plants is certainly true. This line of investigation promises more interesting and valuable results than almost any other branch of scientific research. Our present production of the leading agricultural staples is equal to the supply of an hundred millions of people. Early in the next century we shall have that many people here, and what then?

TRY THE JAPAN CLOVER.

Any one who owns poor, gravelly, or worn-down and wavy fields will do well to try Japan clover, and now is the time to get seed and be ready to sow it early in March. Not much is to be expected of it the first season, but it will make more show the next, and will be at its best by the third season. In Southern Maryland, as well as in tide-water Virginia, and in all the piedmont sections of both States there are very many "old fields" which ought by all means to be seeded to this plant. It will produce five times the pasture on these "old fields" which any other plant will do. All stock relish it, sheep especially; sheep and Japan clover will get more out of these lands and do the lands more good than any other combination. It will not answer well North of Maryland. Seed can be had now of most seedsman at not much more expense than common clover.

THE HAMPSHIRE-DOWN SHEEP.

This breed is a cross of the Southdown on the old Wiltshire sheep. It is a long-bodied, short-legged sheep, inclining to coarseness in some of its points, having a large, bony head, and a black face. It is distinguished for early maturity, and heavy weights. Wethers at ten months old have made 25 pounds. With good handling, the breed should do well for early lambs. They are prolific, as well as hardy sheep. They are a close-wooled sort, and resist hard weather and exposure better than some breeds. To breed early lambs in this climate, we must have sheep which are not delicate, and the lambs of which are strong at birth. Grade Hampshire ewes topped with a pure Southdown of hardy constitution and good size, would make a splendid outfit for early spring lambs. There is money in them; try it.

THE WAREHOUSE SYSTEM OF FRANCE.

In 1848, every indication pointed to the downfall of the French republic. This condition was brought about principally on account of financial complications. Business was at a standstill for want of currency. Each one distrusted the other, and nearly all were suspicious of the Government. Under such circumstances those who had coin held on to it, and refused to loan it to the people who might lose their property in many ways, or to the Government whose stability they distrusted. The uncertain status of government, and the universal habit each new government had of repudiating the debts of all former governments, made the national credit merely nominal, while private credit for nearly the same reasons was even more limited. Because of this, matters assumed

such a serious aspect, that many of the friends of the republic gave up in despair. At this time an appeal to the people was formulated. It was well-known that the people were powerless to aid. While they had many of the products of their labor on hand it was not money. Those who owned the money did not want the products. The credit of the government was so poor that it could not obtain this money; neither could the products of the people, those who held the money controlled both people and government. The national assembly was ready to assume any responsibility that promised relief.

A decree was passed, making the notes of the bank of France a legal-tender, and at the same time authorized government warehouses to be opened for the reception of all kinds of produce, manufactured goods, etc., etc., and made the certificate of such deposit negotiable by endorsement by the bank of France. The quotation in the report of the committee on the monetary system relates to this plan.

This decree remained in force until 1858, when it was revised as to the bank of France and some other minor particulars, but the main features were retained and are in full operation at the present day. At any time the same powerful influence could be brought to the aid of the nation that this warehousing system rendered in 1848. In the late war with Germany this system was of great value to the people of France in paying off their enormous war indemnity. The following is a translation of the laws of France relating to government warehouses, at the present time:

ARTICLE 1. Government warehouses, established by virtue of the decree of 21st May, 1848, and others which may be created in the future, are for the purpose of storing raw material, goods, and manufactures which merchants and traders may desire to deposit therein. Such warehouses are established and supervised by the chambers of commerce or Government acting upon the advice of the *Chambres Consultatives des Arts et Manufactures*. They are subject to the superintendence of the Government. Receipts shall be delivered to depositors, and shall contain their name, profession, and domicile, the nature of the goods deposited, and details necessary to establish the identity and value thereof.

ART. 2. To each receipt for goods shall be annexed, under the name of warrant, a pledge containing the same particulars as the receipt.

ART. 3. Receipts and warrants shall be, together or separately, transferable by endorsement.

ART. 4. Endorsement of a warrant without endorsement of the corresponding receipt, shall be equivalent to a pledge of the goods for the benefit of the endorsee. Endorsement of the receipt conveys to the transferee the right of disposing of the goods, with the liability on his part. When the warrant is not also transferred with the receipt, to pay any claims that may be secured by the warrant, or to allow the amount thereof to be paid out of the proceeds realized by the sale of the goods warehoused.

ART. 5. Endorsement of the receipt and of the warrant, whether made together or separately, must be dated. The endorsement of the warrant separately from the receipt must also specify the amount of capital and interest secured, at the date of maturity, and the name, profession, and domicile of the creditor. The first endorser of the warrant must immediately have the endorsement recorded upon the registers of the warehouse, with the particulars accompanying the same. A note of such registration must be made upon the warrant.

ART. 6. The endorser of the receipt, though not the endorser of the warrant, may pay the claim secured by the warrant even before its maturity. If the endorser of the warrant is not known, or, being known, he does not agree with the debtor

as to the conditions upon which the discount shall be made, the amount due, together with the interest at maturity, may be deposited with the managers of the warehouse, who will be responsible for the same. Such payment discharges the goods.

ART. 7. In default of payment at maturity, the endorser of the warrant, though not the endorser of the receipt, may, eight days after protest and without any judicial procedure, sell at public auction the lot of the goods in question, according to the forms and by the public officials indicated by the law of May 28, 1858. In case the first subscriber of the warrant had reimbursed it, he can proceed to the sale of the goods, as described in the previous paragraph, against the bearer of the receipt eight days after maturity and without notice.

ART. 8. The holder of the warrant is paid his claim out of the price directly and without legal formality, by privilege and preference to other creditors, without any other deduction than—

1. Indirect contributions *octroi*; duties and *duane* payable upon goods.

2. Expense of sale, warehousing and other acts for the preservation of the merchandise. If the bearer of the receipt does not present himself at the sale of the goods the amount exceeding that which is due to the bearer of the warrant is paid to the manager, as mentioned in Article 6.

ART. 9. The bearer of the warrant has no recourse against the borrower or the endorser until he has exercised his rights upon the goods and in case of insufficiency. The periods fixed by Article 165 and following of the code of commerce; for the recourse against endorsers, are reckoned only from the day when the sale of the goods took place. The bearer of the warrant loses in that case his recourse against the endorser if he has not proceeded to the sale within one month from date of protest.

ART. 10. Bearers of receipts and of warrants have, upon the indemnity of insurance due in case of loss, the same rights and privileges as related to the merchandise unsold.

ART. 11. Public establishments of credit can receive warrants as negotiable paper though lacking of one of the signatures exacted by the statute.

ART. 12. A party who has lost a receipt or a warrant may demand and obtain, by a judge's order, by proving his right thereto, and by giving security, a duplicate thereof in the case of a receipt, and payment of the secured claim in the case of a warrant.

ART. 13. The receipts shall be stamped and be liable to a fixed registration fee of one franc. The provisions of title 1 of the law of the 15th June, 1850, and those of article 49-2, No. 6, of the law of the 22 *Française*, year 7, are applicable to warrants endorsed separately from receipts. The endorsements of a warrant separate from a receipt, unstamped or not *visé pour timbre*, pursuant to law can not be transcribed or mentioned upon the registers of the warehouse, under penalty against the proprietor of the warehouse of a fine equal to the amount of duty to which the warrant is subject. The parties charged with the custody of the registers of the warehouse are compelled to communicate them to the representatives of the *enregistrement* in the manner prescribed by article 22 *Française*, year 7, and subject to the penalties prescribed.

ART. 14. *Arrangement d'Administration Publique* shall prescribe the measures necessary to the execution of the present law.

ART. 15. The decree of the 21st March, 1848, and of the 26th of March of the same year are hereby repealed. The decree of the 23d and 26th August, 1848, so far as is contrary to the present law is also repealed.

In ancient times kings and rulers in difficulty have often coined into money the metal which they could most easily obtain. The Irish money issued by James II was said to have been coined from a mixture of old guns, broken bells, waste copper, brass, pewter, old kitchen utensils, and, in fact, any refuse metal which his officers could lay their hands upon. He attempted to make pewter crowns circulate for the value of silver ones.

It is reported that the Union stock yards in Chicago are about to be transferred to an English syndicate. The price is said to be \$30,000,000. The bulk of the stock in the old company is held in Boston.

THE NATIONAL ECONOMIST.

WORDS OF ENCOURAGEMENT.

THE ECONOMIST constantly receives letters of indorsement from all parts of the country, and by every mail assurance is given that its efforts in behalf of reform are appreciated by patriots everywhere. The practical indorsement of the course and purpose of the paper appended is from B. F. Hardesty, Esq., of St. Landry Parish, La., whose manner of encouraging the work is not singular by any means, but thoroughly effective. Such letters and such aid are always appreciated:

You will please find enclosed the sum of six dollars, for which you will please send THE NATIONAL ECONOMIST to the names and offices named below for one year, commencing with the first of February number, as the parties desire to get the whole of the series of article on the financial history of the United States since 1861. My own paper you will please send from the beginning of volume 2 if you can furnish back numbers; if you can not, then let mine begin with the first of February. I am not a member of the Farmers Union or Knights of Labor, but have been preaching your cardinal principles for seventeen or eighteen years. I would to God that every member of the twin orders was as thoroughly imbued with the necessity of study and action as I am. If so, THE ECONOMIST would have 4,000 subscribers in this parish before three weeks from to-day. Of the six names sent with this, two besides myself are not members. Now the Union in this parish numbers about 1,800, and if each member would do as I have done in two or three days and get you five paid-up subscribers besides himself, or herself, it would make six times 1,800—10,800.

But, alas, there are too many who do not understand the grand work to be done by the grand labor press that you refer to on the sixth page of your almanac. Alas, there are too many, both Democrat and Republican, who are subscribing for the old subsidized party papers, who look upon "party" as the chief god; who bow at its shrine with an "Eastern devotion," ignorant of Washington's warning in his "farewell address," that party would be the rock upon which our ship of State would be wrecked, if she ever went down; ignorant of Lincoln's prediction as to party corruption in high places and its destructive effects; and ignorant of or ignoring the numberless warnings of other statesmen patriots. I venture the assertion that if the working classes and small tradesmen of our country would all subscribe for THE ECONOMIST and the Chicago Express alone, that "surprise" you spoke of on the thirteenth page of the first of February ECONOMIST would be an accomplished fact before the ides of November, 1891, because before that time States would have swung into line as fast as elections were held in them.

But the work of educating the mass of the people lags, because many of the most intelligent of the Union and the Knights are remiss in their duty by failing to increase the circulation of the right kind of papers in the order, and among others. I am almost inclined to place these remiss members in the same category with those who willfully remain ignorant, after they have been kindly and earnestly entreated, to take the only sensible way to the understanding of our difficulties and the remedies for them, by subscribing for workingmen's papers, and yet continue to keep up their growling. See if

you can fix their category in the following: Aesop tells us of "a horse and an ass that went to drink at a creek; both stood in the water; the horse drank up stream, and hence got clear water, while the ass drank down stream, and as a consequence, drank the mud raised by his own feet and grumbled because the water was muddy. The horse told him that if he were not an ass, he would drink up stream and get clear water." Truth is a never failing fountain. Let us all turn our faces toward the fountain head, and drink its clear waters to the strengthening and renewing of our manhood for the battle that is on us. A few moments ago I picked up the History of Louisiana by that eminent jurist, scholar, and statesman, Francois Xavier Martin. I opened it at random, and the first word that struck my eye was "monopoly." It was the initial word of a paragraph of the proclamation of Laussat, the colonial French Governor, in which he was announcing to the colonists that the country had been ceded to the United States; and he was telling them that under their new government they would not be ground down by "monopoly" as they had been as colonists. In the two concluding lines of the chapter, Judge Martin uses these words: "The colonists did not appear conscious that they were reaching the *Latium sedes ubi fata quietas ostendunt.*"

Although Laussat was a stranger to our country and people, he rightly judged that a free republican people would not and should not enact class laws, granting monopolistic privileges to a few for the oppression of the many; and Judge Martin understood—though born and reared in France and the words above quoted from his history were written previous to 1827—he understood full well, that the spirit of the fathers of the republic breathed in the Constitution and the then laws, and that the had indeed decreed our shores to be the modern Latium, where political and domestic quiet should reign over the happy people born on the soil, or seeking a refuge there. And though the object of the fathers and the Constitution has of late years been entirely ignored by those in power, yet that object may be revived, restored and forever conserved.

Press Views.

The Iowa Tribune (Des Moines) makes a clear statement of the present operation of the bonded warehouse system applied to whisky, very nearly the plan proposed for sub-treasuries by the farmers:

The United States provides relief by law for whisky manufacturers and sellers, but is entirely indifferent to the distress of the farmers and other manufacturers. As soon as a distillery turns out a few barrels of alcohol or spirits of any kind the United States furnishes an agent to take it in charge, store it safely and issue a government warehouse receipt for it. This receipt would pass for money if it were not for a tax of 10 per cent on all such currency to protect the national banks and give them the field. It is the nearest thing to money, and yet not money; its value is everywhere recognized. It can be taken into any bank and deposited as security for a loan almost up to its face value. This is of incalculable advantage to the distiller. He can leave his poison to "ripen" and get the money for it all the same, and withdraw it whenever the market justifies by surrendering his warehouse receipt. Now note the difference. The farmer who raises wheat or any other valuable crop is generally poor, so loaded with debt that he must realize upon it at once. The manufacture of

alcohol involves only a few days of outlay when the money can most of it be had through the kindness of Uncle Sam as above stated. The raising of a crop by the farmer involves not a few days, but twelve long months of expense and waiting. At the end of this long term does the United States come to his relief as it comes to the distiller's, and say, here, Mr. Farmer, your crop is ripe, you need money, and if you sell now you will not realize cost, moreover it is not well for the crops to go forward at once for other reasons. Now here is a warehouse receipt for your crop. We will take the best of care of it and you may have it on the return of the receipt whenever you wish it. Meantime the receipt will pay your debts for you and help you realize fair returns. Oh, no, on the contrary, the farmer is forced to rush pell-mell into the market, compete with every other farmer, sacrifice his year's work and tread the road to bankruptcy, and the only sympathy he gets at Washington is the lock up of a few more millions so his crops can be actually stolen from him by skin-flints and usurers. Farmers of the Northwest, open your eyes to the monstrous Sherman-Allison laws—that treat the alcohol business as they treat the banking business, but treat farmers with the indifference usually accorded to serfs.

The sub-treasury plan adopted at St. Louis by the Farmers Alliance and Industrial Union proposes to take the \$100,000,000 of coin now stored in the United States treasury without law, the officers pretending that it is needed to redeem greenbacks, and with it build great warehouses over the country to receive the non-perishable crops, such as wheat, corn, cotton, wool, etc., of our farms, on which the Government is to advance 80 per cent of its market value in sub-treasury notes, and restore the crop whenever wanted on receiving back the notes with 1 per cent, and if not called for the crop to be sold at auction in one year. This would be a co-operative plan worthy of a republic. Hundreds of papers commend the plan. It grows in favor with the people every day. Elect Congressmen pledged to it. Instead of expensive post-offices let us have fire-proof warehouses.

The same paper contains another object lesson in this line, answering the query "who pays for it?"

A banker deposits his bond in the United States treasury as a basis for national banking. Every three months a check is sent him for accrued interest. He can then receive from the Treasurer \$90 in bank currency, guaranteed by the Government, for every \$100 named in the bond. The bond is free from taxes, and the banker pays 1 per cent for the use of the currency. He then can deposit with the Treasurer 4 per cent bonds and receive as a free loan from the surplus in the treasury \$110 for every \$100 of bonds deposited. Upon this loan he pays nothing whatever. Now look at the result:

The banks now have a circulation of... \$216,000,000
Free loan..... 47,000,000
Total..... 268,000,000
At 8 per cent simple interest this will yield them..... 21,040,000
Less 1 per cent on circulation..... 2,160,000

Net profit in one year..... 18,880,000

But the law expressly allows the banks to take the interest in advance on every loan, which they never fail to do. This of course materially increases their profits. This kind of thing has been going on for years, and

THE NATIONAL ECONOMIST.

now it is proposed to increase the gift to the banks \$100 on every \$100 of their bonds deposited to secure circulation and still pay them interest on the full face of the bond. The bill to accomplish this outrage is now before the House with every likelihood of passage. How do the hard-pressed farmers and laborers of the United States like the outlook? Will you longer submit to such robbery?

The French Indemnity to Germany.

THE ECONOMIST is indebted to Mr. Ivan C. Michels for the answer to an inquiry concerning this matter which follows. Mr. Michels is a recognized authority upon monetary questions, his researches into the uses and value of metals having been exhaustive:

The indemnity from France to Germany after the war of 1870-71, including interest at five per cent per annum, amounted to \$1,060,209,815. After crediting France with value of certain railroads in Alsace and Lorraine, the amount of indemnity due Germany was \$998,172,069 or 4,990,860,349 francs, which was paid by the French government through the bank of France.

At my request, the bank of France furnished to me several years ago, the following statement as to the mode of having paid said indemnity:

In bank notes of the bank of France. 125,000,000
In French gold coins..... 273,003,050
In French silver coins..... 239,291,875
In German banknotes..... 105,039,045
Bills of exchange drawn in thalers..... 2,485,513,729
Bills drawn on Frankfurt in florins..... 235,128,152
Bills drawn on Hamburg in marks-banks..... 265,216,990
Bills drawn on Berlin in reichsmarks..... 79,072,309
Bills drawn on Amsterdam in florins..... 250,540,821
Bills drawn on Antwerp and Brussels in francs..... 295,704,546
Bills drawn on London in pounds sterling..... 637,349,832

Total francs..... 4,990,860,349

Equal to \$998,172,069, the dollars reckoned at five francs.

The patriotic people of France raised the vast sum by a loan in less than six months from the time the government appealed to them.

Germany expected to receive for years to come five per cent per annum on the indemnity bond; but the bank of France, through the French bankers, drew on Germany, England, Scotland and Belgium, and in four months time the whole indemnity was paid. Never in the history of the world has this financial transaction been equaled, and I doubt that any other banking institution could have succeeded so well as the bank of France.

Germany expected the payment in gold coin or bullion, having previously and purposely demonetized silver, but the fact remains that actually in gold only 273,003,050 francs, equal to \$54,600,610, were paid by the bank of France, and that sum only left France, was remelted in Germany and coined into reichsmarks. England, with her gold standard, had to part with her gold to the amount of 637,349,832 francs, equal to \$127,469,964. Bills of exchange on the German bankers throughout the German empire, especially on Hamburg, Berlin and Frankfurt, amounted to 3,064,931,180 francs, equal to \$612,986,236, nigh on two-thirds of the whole amount of the indemnity. This magnificent stroke of finance on the part of the bank of France and the French bankers came near ruining the leading German bankers, and

forty-one banking houses throughout the German empire had to suspend temporarily, not being able to honor the drafts made upon them.

The extravagance of the German people during the war of 1870-71, brought them into debt to France for luxuries, wines, etc., to an enormous extent, and when the bank of France purchased bills of exchange from the French bankers, who drew on their German correspondents, a panic ensued, and the Germans have suffered far more than it is generally believed.

PREMIUMS FOR CLUBS.

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

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WASHINGTON, D. C.

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AND
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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't. National Wheel and Vice-Pres't. Farmers and Laborers Union.

C. W. Macune, Pres't. 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't. 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. 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 L. U.

J. A. Tets, Mem. Nat. Ex. 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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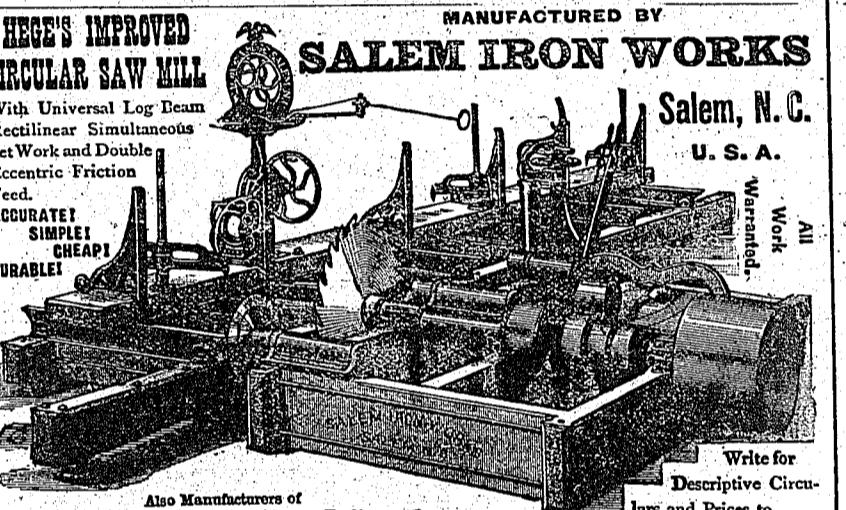
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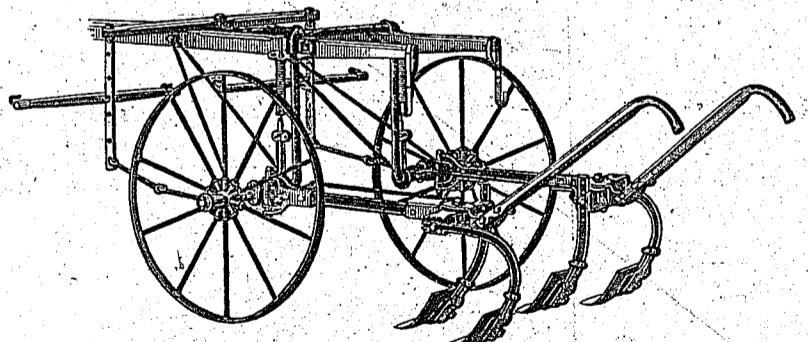
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The National Economist

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DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

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VOL. II.

WASHINGTON, D. C., MARCH 8, 1890.

NO. 25.

EVOLUTION OF ORGANIZATION.

This is peculiarly an age of organization. At no time since the inauguration of this Government has there been so many different kinds of organization, and all seem to be daily growing stronger and more powerful. Much is written in regard to organization and the necessity for the objects of, and the probable results of, the different great organizations now so popular. The relations of these organizations to one another, their relation to the Government (which is only a form of organization itself), and the probable effect they will have upon the Government and the various political organizations of the day, are all discussed ably and often, but the relation of the individuals that must compose them to the various organizations to which they belong and are subject is not of such common discussion, and is really a subject of great interest and importance, since upon the decisions obtained upon that question depends the decision as to whether it is right for organizations to exist or not.

Man's fealty as an individual is never fully concentrated upon one object. In a state as near mortal perfection as finite minds can comprehend, his most perfect fealty must be divided between responsibility to God and duty to his family. Let them be classed as one, because they never conflict and to them must be yielded fealty in preference to every other call or objection resting upon the individual. Man's intercourse with his fellow-man early developed the forms of organization called Government, which is universally recognized as essential to his happiness and prosperity. His fealty to this form of organization is worthy a very careful investigation, and should be thoroughly understood by all. It will be hard to avoid the conclusion that man's fealty to the Government under which he lives, and to which he is subject, is limited only by his ability, his possessions, and his existence, because he must yield the right under certain circumstances to the Government to appropriate any of his possessions, to deprive him of his liberty, and even to take the life of his family or himself. This he must do in order to participate in the Government and empower it to use these extreme measures to control other men and prevent them from violations upon his property, his liberty, or his life. There is an obligation on the part of Government, as understood in this country, to secure to every citizen the possession and enjoyment of the fruits of his labor, the perfect liberty to do as he wills, limited by no right to infringe

upon the equal right of others, or to transgress the laws of natural right, and the protection of life and limb. This obligation on the part of the Government is based upon the complete fealty as above described on the part of each subject, and consequently any failure on the part of the Government to fully discharge its responsibility tends to withdraw from the Government a portion of the fealty of the subjects affected thereby, that they may transfer their fealty to an agency better calculated to secure them the object desired. It may be possible for man to devise a form of government that would be practically perfect to govern two or three persons, but it must be admitted that in proportion as the number of subjects is augmented, the adaptability of general Government to meet the wants of individuals becomes less, and the necessity for supplementing it with minor forms of organization becomes greater. The first organizations under the Government of the United States were probably religious. The Government had refused to interfere with the individual religious liberty of its subjects, and they immediately supplemented this void in the general Government by a system of minor governments called religious organizations. The rapid development of commercial pursuits has consolidated those of the same occupation with ties more potent and useful from a legislative standpoint than State lines.

In view of all this would it not be more in accord with modern development to abolish the United States Senate as it now exists, and in its place inaugurate a body composed of representatives elected from the different kinds of productive and commercial pursuits, all of which should be divided into a given number of classes according to their occupation and interests, and each of which should be thoroughly organized into legal bodies under laws enacted by the Government similar to that of the States now? Let the States and their representation in the House of Representatives remain as now, and let the “classes” have a house with like powers, one to represent the numerical strength of the country divided geographically, and the other representing the productive and commercial strength divided according to their pursuits, and no bill allowed to become a law till passed by both Houses, with other necessary arrangement as to details. It is not intended in this article to advocate such measures. It is not necessary that they should be advocated, but it does seem highly probable that the Government, in order to properly discharge the evident responsibilities resting upon it, will soon be compelled to recognize class organization as a valuable assistant. If so recognized it will certainly prove of much help and value, but if fought and discouraged it may be very troublesome.

In a complex industrial system, such as that now supplying the people with commodities, there can be no inferior or imperfect performance of function by one part that does not affect the whole. As the health of a person depends upon the health of all his parts, so the abnormal condition of one industry makes irregular the whole system.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 5.

December 4, 1862, Secretary Chase submitted his annual report to Congress. He estimated the expenditures for the fiscal year of 1864 at \$845,413,183, and the receipts at \$223,000,000. The difference between these two amounts added to the remainder of the fiscal year of 1863 made a total of \$899,300,701 to be provided for. What is called the fiscal year is the time when the Government makes its yearly balances, which is the 30th day of June, each year. In this way the Government fiscal accounts run in into two calendar years, from July 1st of one year to June 30th of the next. The Secretary recommended as the only course to pursue, that more bonds be issued and more money loaned. He recommended the organization of banking associations, as he termed it, for the improvement of the public credit, and to supply the people with a safe, uniform currency. Here is found the first clearly defined indication that this man, the father of the legal-tender, had succumbed to the wiles of Wall street. From this time on he was a willing tool in the hands of the men who plundered the nation of its money, and without doubt prolonged the war more than two years. After reviewing the financial operations of the Government since the beginning of the war, he remarked that the adoption of the legal-tender currency had operated well, and that the currency had not been inflated. Coin had gone out of use, and had become a commodity, and the issues of paper had taken its place as a currency and a basis of circulation in the banks. He said further that if paper money was in excess of the wants of the country, it was on account of the issues of State banks. As proof of this, he showed that as much of the great staples of life could then be bought for Treasury notes as could have been purchased with gold before that metal disappeared from circulation.

He recommended under the circumstances, that "the part of wisdom and duty very clearly led to the support of the United States note circulation and the reduction of the bank-note circulation." He again recommended a tax on State bank circulation, claiming that Congress had the right to control the paper currency of the country. The expenses of the war had exceeded the wildest calculation. Gold and silver had gone into hiding, and yet from their retreat dictated all legislation. The Government was almost completely in the hands of the Wall street bankers, and the wildest schemes for speculation found the most favor with Congress. With a willing Secretary of the Treasury, nothing stood in the way of successful raids on the national Treasury. Millionaires began to put in an appearance, and

the curse of shoddy aristocracy began to obtain.

A bill to provide ways and means for the support of the Government was introduced in the House of Representatives by Mr. Stevens, of Pennsylvania, December 8, and considered in committee of the whole December 23, 1862. Mr. Stevens said that the bill had "produced a howl among the money-changers as hideous as that sent forth by their Jewish cousins when they were kicked out of the temple." It is not strange that such a measure should have produced consternation in Wall street, for it proposed the issue of an additional amount of \$200,000,000 in legal-tender notes and \$1,000,000,000 in 6 per cent bonds, and to tax the State banks out of existence. A substitute for this bill was reported from the committee of ways and means in the House January 8, 1863, and was first considered in committee of the whole January 12. The bill proposed the issue of \$900,000,000 in .6 per cent bonds, \$300,000,000 in treasury notes, bearing interest at the rate of 5.47% per cent, and \$50,000,000 in fractional currency, and contained a provision for a tax of 2 per cent on the issue of State banks above a certain percentage of their capital.

Mr. Spaulding, of New-York, who advocated its passage, estimated the amount in excess of the receipts required to carry on the Government to July 1, 1863, at \$551,221,131,59, and the total amount required up to July 1, 1864, at \$1,117,139,499,57, a sum which exceeded the estimates of the Secretary of the Treasury by more than \$200,000.

The public debt at that time, as shown by the Treasury books, was stated at \$723,804,252,63, while it was estimated that if the war should continue up to July 1, 1864, the debt would amount to \$2,000,000,000. The whole bank circulation in the loyal States was estimated at \$166,600,000, and the specie in possession of the banks at \$86,931,000. It was said that it would be simply impossible to continue so mighty a war by the use of gold and silver alone, there not being specie enough in the country, including all that was hoarded by the people, to carry on the operations of the Government for four months, and not only so, but if all the currency of the loyal States could be poured into the public Treasury, together with all the specie and all the "wild cat" bills, East and West, the whole would not meet the demands of the war up to July, 1864. England and France both, in times of war, extended their paper currency to the utmost limits. Even the bank of England, strong as it was, paid no specie from 1797 to 1821, and its notes were sold as late as 1814 at a discount of 25 per cent. After a lengthy debate in both House and Senate, during which Mr. Stevens' bill was amended in several particulars and referred three times to conference committees for the adjustment of differences, it was finally passed and became a law March 3, 1863.

Section 1 of this act is as follows:

That the Secretary of the Treasury be, and he is hereby authorized to borrow from time to time, on the credit of the United States, a sum not exceeding \$300,000,000 for the current fiscal year and \$60,000,000 for the next fiscal year, and to issue therefor coupon or registered bonds, payable at the pleasure of the Government after such periods as may be fixed by the Secretary, not less than 10 nor more than 40 years from date, in coin, and of such denominations, not less than \$50, as he may deem expedient, bearing interest at a rate not exceeding 6 per cent per annum, payable on bonds not exceeding \$100 annually, and on all other bonds semi-annually, in coin; and he may, in his discretion, dispose of such bonds at any time, upon

such terms as he may deem most advisable, for lawful money of the United States, or for any of the certificates of indebtedness or deposit that may at any time be unpaid, or for any of the Treasury notes heretofore issued, or which may be issued under the provisions of this act. And all the bonds and Treasury notes or United States notes issued under the provisions of this act shall be exempt from taxation by or under State or municipal authority: *Provided*, That there shall be outstanding of bonds, Treasury notes, and United States notes, at any time, issued under the provisions of this act, no greater amount altogether than the sum of \$900,000,000.

Under this act bonds to the amount of \$75,000,000 were issued, bearing interest at 6 per cent, payable semi-annually. A subsequent act, approved June 30, 1864, limited the issues to this sum, subscriptions for this amount having been already invited.

The second section of the act of March 3, 1863, is as follows:

That the Secretary of the Treasury be, and he is hereby authorized to issue, on the credit of the United States, \$400,000,000 in Treasury notes, payable at the pleasure of the United States, or at such time or times, not exceeding three years from date, as may be found most beneficial to the public interest, and bearing interest at a rate not exceeding six per centum per annum, payable at periods expressed on the face of said Treasury notes; and the interest on said Treasury notes and on certificates of indebtedness and deposit hereafter issued shall be paid in lawful money. The Treasury notes thus issued shall be of such denominations as the Secretary may direct, not less than \$10, and may be disposed of on the best terms that can be obtained, or may be paid to any creditor of the United States willing to receive the same at par. And said Treasury notes may be made a legal-tender to the same extent as United States notes, for their face value, excluding interest; or they may be made exchangeable, under regulations prescribed by the Secretary of the Treasury, by the holder thereof at the Treasury in the city of Washington, or at the office of an assistant treasurer or depositary designated for that purpose, for United States notes equal in amount to the Treasury notes offered for exchange, together with the interest accrued and due thereon at the date of interest payment next preceding such exchange. And in lieu of any amount of said Treasury notes thus exchanged or redeemed or paid at maturity the Secretary may issue an equal amount of other Treasury notes; and the Treasury notes so exchanged, redeemed, or paid shall be canceled and destroyed, as the Secretary may direct. In order to secure certain and prompt exchanges of United States notes for Treasury notes when required as above provided, the Secretary shall have power to issue United States notes to the amount of \$150,000,000, which may be used, if necessary, for such exchanges; but no part of the United States notes authorized by this section shall be issued for or applied to any other purposes than said exchanges; and whenever any amount shall have been so issued and applied, the same shall be replaced as soon as practicable from the sales of Treasury notes for United States notes.

Under this authority Treasury notes were issued amounting to \$44,520,000, redeemable one year from date, and \$166,480,000 redeemable two years from date.

These notes, bearing interest at 5 per cent per annum, were a legal-tender for their face value, and are generally known as the "one and two year notes of 1863," according to the time for which they were to bear interest.

DEPRECIATION IN STOCKS.

The Chicago and Alton Railroad is 849 miles long and has stock to the par value of \$17,594,500, or nearly \$21,000 per mile. In addition there is a bonded indebtedness of \$13,297,950, or about \$15,000 per mile. The stock is quoted on the market at a premium of nearly 40, showing that it is productive, notwithstanding the fact that the money represented in the mortgage would build and equip the road if by any means it should be annihilated. This, then, may be considered as one of the paying railroads of the country.

and far above a fair sample of the lines going to make up the grand system of which it is little over one-two-hundredth part, the average estimated capitalization of all the roads being over \$60,000 per mile, about one-half bonds, and average stock selling far below par. In his annual report the president of the Chicago and Alton asserts that the actual value of railroad investments has been reduced during the last five years nearly \$1,000,000,000, and is now being reduced by the course of the State and federal governments at the rate of nearly \$1,000,000 a day. If this course is to be continued, he says, in less than ten years there will be only a very few railroad shares in the United States that will have any value. As a remedy for this state of affairs he suggests the ownership of railroads engaged in interstate traffic by the National Government, and the organization of a corps of railroad operators who shall remain in the service during good behavior and be in no greater degree under the influence of politicians or political parties than the army.

The statement of this gentleman is not tenable in the sense in which he means that it shall be taken. The railroads but share in the general depression resulting from unjust distribution. A railroad in Illinois can not expect to prosper when the producers of that State lose \$10,000,000 on a single cereal in one year. Capitalized (as the railroads consider their losses) at 5 per cent the farmers of Illinois in this loss are over \$200,000,000 poorer than one year ago, and if the railroad method of statement be accepted, the farmers of the country have lost within the year as much as the total value of the railroads. That is, if it be true, that every shrinkage in the selling price of railroad stocks and bonds is a clear loss, then the farmers of this country are losers to many times over the amount stated as lost to the railroads in the time stated.

It would be well just here to inquire into the justice of the claim that the railroads have really lost this vast sum. Every intelligent man knows that the cost of duplicating the entire railroad system of the country would not exceed 30 per cent of the capitalization. It is then a grave question whether there can be loss until the average market value of the stocks and bonds reaches that figure. The shrinkage to the cost figure can properly be called only a failure in speculation, and not a loss, as it does not affect the capital really invested in the roads.

The diminished earning capacity of the roads which causes the depreciation in their value, arises from the subtle sympathy which exists between the parts of the industrial whole. If the idle labor of the country were actively employed there is no rational doubt that the increased demand for the transportation of their products would maintain the maximum condition of the roads as dividend earners, and this admitting the regulation to which this president attributes their failure. The capitalists have

control of the Government, and have adopted the policy of the man whose goose laid the golden eggs. In the constant contraction which they have engineered, they have lowered the value of their investments in the transportation and manufacturing. In availing themselves to the utmost of their advantage as creditors, they have jeopardized the industries upon which they must depend for compliance with their exactions. Many of the stocks and bonds which they have depended upon as collateral in their transactions are threatened with extinguishment. It is time to call a halt in the present policy. When production fails to reward labor no legitimate interest but is depressed in sympathy. When labor is rewarded the line of profit is raised in all useful callings.

SENATOR REAGAN introduced a bill to repeal the act for the sale of bonds to redeem the legal tender notes (greenbacks). It may surprise some persons to learn that such a law is yet on the statute books, since an act was passed in 1878 forbidding any further retirement of these legal tenders. It might be well to explain that all the old acts of Congress by which the present reign of plutocracy has been inaugurated are still unpealed, and are ready to duplicate their conditions at any time. The following comment is clipped from a New York paper:

The law for their redemption in coin, if any holder chooses to demand payment, contains the condition that they shall be reissued, and it was thought at first that as the greenbacks might be presented again and again when the Government might not have sufficient coin on hand, it would be necessary to provide for selling bonds in order to be prepared to meet the claim of any holder of greenbacks. Hence the Secretary of the Treasury was given power to sell bonds of any of the classes provided for by the refunding act of 1860 and 1871 to any amount which should be found necessary in order to maintain the convertibility of the treasury notes into coin. It is admitted by organs of the treasury policy that authority given is very large, and that there is no sign of any necessity for its exercise, but they urge that the Secretary should still have the power to borrow money.

Just such financial teaching as this has led the people to believe that this is and has been a statutory resumption of specie payment, and that any person could go to the United States treasury, or any sub-treasury or national bank, and legally demand and receive gold coin in exchange for greenbacks. Such is not the case now, and has never been. Here is the law governing that point. Section 3 of the act to provide for the resumption of specie payments provides:

And on and after the first day of January, Anno Domini eighteen hundred and seventy-nine, the Secretary of the Treasury shall redeem, in coin, the United States legal tender notes then outstanding, on their presentation for redemption at the office of the Assistant Treasurer of the United States, in the city of New York, in sums of not less than \$50.

This act stands to-day as when it was passed, and is consequently the law. This plainly says that nowhere outside of the sub-treasury in New York, and then only in sums of \$50, can resumption be legally enforced. The fact that greenbacks can be converted into coin in almost any locality does not make the act of resumption universal. It is by rule of consent and not author-

ity of law. This act, like every other act, was passed in the interest of the banks. The bankers of New York with \$50 or more could obtain gold for greenbacks, but the farmer of Michigan or the planter of Georgia with but \$45 or less must be content with paper money. There never was a full legal resumption of specie payments, and there is none at the present time. The people, those who made resumption under any form possible, were debarred from sharing in its benefits, and were ruined by the thousands in the attempt. Let no one imaging that a full and free resumption was ever intended under this act, and the silly comment giving the reason for boarding \$100,000,000 in the treasury is the usual reply when the cruelty of that rule is advanced.

THE Director of the Mint, in his report for the fiscal year 1889, shows that during that year \$60,033,246 of gold coin and bullion was exported, and \$10,372,145 gold coin and bullion imported; that \$36,717,783 of silver coin and bullion was exported, and \$24,682,380 of silver coin and bullion imported the same year—making the net amount of exports over imports \$61,435,989. In another Government report the amount is given at \$67,678,460, which is no doubt correct. Reform papers throughout the country have contended that this amount of coin was sent abroad to pay interest on alien investments in America, and that these investments naturally followed as a result of a shrinkage of the domestic currency. That large investments were being made no one could deny, and that interest or dividends must be paid was quite as conclusive. In order to mislead the people regarding these facts the Director argues, and occupies a number of pages in his report in so doing, that this vast amount of metal went to France instead of England, and by inference takes the position that as England is the creditor nation the money must have gone to France for some other purpose. He goes so far in his efforts to prove this as to enumerate the cabin passengers to Europe, where they went, and their probable expenses. He shows that the bank of France increased its reserves during this period, and tries by every means to disprove the plain fact that \$67,678,460 went abroad, and the larger portion went to pay either dividends on investments or interest on money loaned. Like the Secretary of the Treasury, he deals in small capitals whenever a point is made in favor of his side of the argument. Our country must be in a deplorable condition, indeed, if the farmers of Kansas are compelled to burn corn for fuel and the miners of Illinois starve for the want of it, and the plutocratic part of the people are able to spend \$67,000,000 abroad in pleasure-seeking, all during the same year. In making out one case he presents the dark and damaging basis for the argument upon which organized labor is today making the contest. If, as he argues, a small portion of the people can spend out of their abundance this enormous amount of money, while the balance are being buried under a burden of debt and taxation, something is radically wrong with the economic conditions of this country. Recognizing the fact that the amount of domestic currency is the dictator of the people's condition, the Director attempts to prove with all other Government officials that there is at present currency enough.

THE NATIONAL ECONOMIST.

THE REFORM PRESS:

The Discussion of Current Topics in the Organized States.

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

The Farmers Alliance, of Union, South Carolina, have opened a sample room in their warehouse, and order their goods through their business agent having charge of the same from samples.

The same paper contains the following comments:

Our exchanges from all the States represent the order as up and doing. Never in the history of the Alliance was there more determination on the part of the members to accomplish the redemption of the producing class from the iron rule flipantly called the laws of trade. We notice, however, that in the Northwest where the shoe is just now pinching the tightest, where the thumb-screw of oppression is most intensely felt, that the zeal is greatest, and cries of reform are the loudest. The day is not far distant, yea, it is now here, when the blatant cry of the politician-as-he-waves-the-bloody rag aloft, denouncing his brethren of the South as a butcher and a semi-barbarian will fail to awaken political enthusiasm. Other questions, grander questions, questions as to the future of the campaign of the Government will sink into utter insignificance: the so-called negro problem, the so-called race issue. There is no negro problem, there is no race issue, except such as is hatched up by designing politicians to further their ends. And a brotherhood of men knowing no North, South, East or West, only asking justice, with a common cause, are and should be invincible if they prove faithful to the end.

The Alliance is growing healthily in New Mexico. The Liberty Banner (Nogal) is at hand, the second number of volume 1, with the motto of the order, "equal rights for all and special privileges to none." It says:

When capitalists form a combine it is always for the purpose of controlling the price of some of the products of labor with a view to enormous profit, and wholly indifferent as to results. That the farmer, miner, stock grower or factory laborer is to be crushed and ruined by the unholy alliance matters not to the merciless organizer of trusts, corners, etc. They are as deaf to cries of distress and as indifferent to the sufferings of the oppressed as is the madly rushing cyclone. The difference is apparent. The one has an object, an unjust aim, a purpose to accomplish which is a detriment to the country at large. The other seeks redress for past wrongs and a guarantee of just treatment in the future. The Farmers Alliance, founded upon the principle of equal rights for all and special privileges to none, is destined to be a power for good seldom equaled. Farmers, stay with the Alliance.

The Journal of the Knights of Labor comments on legislative abuses, and concludes:

The time is ripe for a revision of our legislative institutions, with the object of correcting the abuses which have incrusted them, and bringing them into harmony with popular ideas and the movement for the restoration of labor's rights. The interest aroused in the great question of ballot reform, and the progress which has attended it, shows that the people are becoming aroused to the need of better representative institutions. It is true that the machinery of democratic government—no matter how perfect—cannot of itself secure freedom; but nevertheless it is essential to true liberty that the people should at least have the means to secure just and equitable legislation, and that they should not passively submit to be cheated with the shadow of representation while robbed of its substance.

The Alexandria (South Dakota) Journal wants ballot reform:

The Australian system of voting is in use in eleven States, seven of which are Democratic. The entire Democratic delegation in the South Dakota legislature is in favor of such a law here. If we do not get it the Republicans will be to blame. The honest voters demand the law. The legislature should heed that demand.

Tricks are said to prevail in all trades. The Kingman (Kan.) Journal tells of one practiced by the usurers of that State:

It is a trick of mortgage companies and of money loaners, in order to shut off the defense of usury and other equitable defences, to have their secur-

ties made to some private person and assigned to them, or made to themselves and then assigned to another person. The record would not disclose that these assignees were connected with them, but in nine cases out of ten they are really parties in interest with the original negotiators of the loans. The farmers of this State must understand that no usury law will be a protection to them unless the defense of usury could be pleaded against the paper in the hands of any assignee, whether assigned before maturity or not, as well as in the hands of the original holder.

The Alliance Sentinel (Lansing, Mich.) notes that five hundred good men are wanted to organize the Alliance in Michigan. It notes the formation of Alliances and their increase in membership. But a few weeks ago the Sentinel accepted the Alliance truths and adopted its purposes as a platform to support, at the time there not being a member of the order residing in the State. The Sentinel says:

Debt and usury are the main causes of the increasing wealth of the rich and the growing poverty of the poor. Laws regarding the rates of interest should be made to favor the borrower as well as the lender. The repealing of all class laws would greatly assist in freeing the people from abject slavery which threatens them.

The Texas Labor Journal (San Antonio) sees the good time coming:

Public opinion has turned our way at last; the toiling millions are better educated as to their rights than ever before, and the progress being made in this direction is daily and hourly increasing to an extent which is surprising to our most sanguine advocates. For several years the number of labor papers have continued to increase throughout the world, and never was there a time when the country was so thoroughly strewed with literature of a politico-economic nature written by men and women who entertain advanced views upon such question. This literature has found its way into the homes and minds of thousands of the humblest of God's oppressed creatures, almost unawares, and its intended mission is about to be consummated.

The New Era (Latonia, Ga.) says:

President Stackhouse, of the South Carolina State Alliance, says that the jute trust is now offering to sell bagging for this year's crop at seven cents per yard. That's all right, but the farmers are satisfied with cotton bagging and will use it from this time on.

The People's Signal (Marlin, Tex.) is not uncertain in its faith. It refers to the time between 1864 and 1868:

When we passed through a period of prosperity never before known in this or any other country. Money was plenty, wages were high and everybody was happy. As a very forcible writer expresses it, "thus became houses, houses became palaces, tatters became garments, garments became robes, and for the first time in the history of the world the poor tasted the luxuries of wealth." Is there any laboring man who can condemn us for desiring this prosperity again? The abolition of the national bank system, and the payment of the national debt will bring back to the people again the good times from '64 to '68. Do you want it? If so, vote for no man for Congress or State legislature who will not advocate it.

The Farmers and Laborers Union Journal (Batesville, Ark.) reiterates a very important truth:

We want but a few new laws on our statute books, but we want many of the unfair, class laws taken off.

The Alliance department of the Lawrence (Kan.) Journal, edited by Mrs. Annie L. Diggs, is clear and able. The following is its treatment of the most important present Alliance question:

The measure known as the sub-treasury bill, which was approved by the national convention of Farmers and Laborers at St. Louis, is now before Congress. It has been rechristened "Agricultural Depository," and introduced in the Senate by Senator Vance. This measure has met the unqualified approval of nearly every Alliance and Union in the country, and it should now be pushed by the whole force of the membership. The wisdom and justice of the bill become more and more apparent as the provisions are studied. There is no possible objection to it, since it would not interfere with a single legitimate industry in the country. It would eventually put a stop to speculation and gambling in agricultural products and render needless all cumbersome and ineffectual legislation against those iniquitous transactions.

It is not only necessary as an emergency measure, but is also in the line of a permanent system, which will stand for all time and fit into any possible future progress. It is the largest move yet proposed toward the scientific development of the business side of agriculture. There is not a single sound argument against it, and all present conditions argue for its adoption. There is not a single bill before Congress asking for an appropriation that is at all comparable to it both as a matter of justice and of far-reaching importance. Inside of two weeks every Alliance in Kansas should send petitions to the Kansas representatives at Washington, asking them to urge prompt consideration of the bill. There is little doubt but that Senator Plumb will give it his hearty support. Long ago Senator Plumb sought to arouse the people from their dangerous apathy concerning the machinations of the money power. After his powerful speech in the Senate in the spring of 1888, he expressed his surprise that the people did not appear to take any more interest in so vital a question. The farmers of Kansas should not leave their Senator in any uncertainty as to their interest in this measure. There is not a man in either house of Congress who could battle for the rights of the people with greater power than Senator Plumb if he were but fully assured and informed as to their desires and necessities. It is doubtful if Senator Ingalls can spare himself long enough from his mission in rekindling the fires of sectional strife between the North and the South to do more than fall into line, but that much he will do when the procession is sufficiently elongated.

The Colleton Press (Walterboro, S. C.) has discovered that life is brighter further on:

There seems to have dawned a new era in the history of Colleton county. A powerful change in the industrial, moral and social atmosphere is perceptible. The people in every section are evincing a deeper interest in the advancement of their respective vocations and the betterment of their condition. Especially is this evident among the farmers. They have awakened from their inert apathy and have become embued with enthusiastic endeavor to attain a more elevated position in the agricultural world. Organization works wonders, and the Farmers Alliance, though in existence but a short while, has wrought a wonderful change in the order of things among the farmers of Colleton. Evidences of its potent effects are seen on every hand. It acts as an incentive to the farming industry. It has placed the people of our county upon the threshold of an epoch in her history that will bring about a redundancy of all that goes to make up the material, moral and social well-being of a country. Not only have the farmers joined in the "march of progress" but others as well seem inspired with high hope, and are pressing onward.

The Liberator (Dallas, Tex.) states that there are 2,750 languages. That paper uses one of them pretty freely in denouncing the gamblers in products, having no need of more to express itself:

Why should the men who feed the world be compelled as producers to become slaves to the bidding of a class of professional dead beats and thieves that lounge around from one year to another, living in ease and luxury, while the farmer has to rise early and work late in order to make a living, while those professional gamblers are dealing in cotton and grain futures, fixing a price on your produce twelve months before you have planted the crop? Why a fraud of this kind should be perpetrated on the laboring men of any land is strange, but there are several of the leading partners of our land that seem to think that it is all right. Why is it that the farmers can not get anything for their live stock? The gamblers have formed a pool on the live stock market as well as on the produce of the land.

Commenting on the proposition of the president of the Chicago and Alton Railroad for Government ownership of railroads, the Progressive Farmer (Raleigh, N. C.) says:

The people are fast coming to the conclusion that the rights of the citizens would be better secured and the public interests better served if the Government to own the transportation and telegraph lines and give to the people the benefit of their service at the cost of operating them. It is held, too, by many that the principle should apply to towns and cities as well in the matter of water supply, gas and electric plants and street railways. That the municipalities should own and control them in the interest of all the people, for whose use and comfort they are designed. That this great question will force itself before the bar of public opinion for settlement in the very near future no one can doubt who will read the signs of the times. The citizen will be a juror in

this case, and it is his plain duty, therefore, to inform himself as thoroughly as possible that he may make up his verdict impartially and on the great principles of equity and justice.

The Individual (Denver, Colo.) adds its mite to the current of truth:

Millions of bushels of corn throughout Iowa and Nebraska lies rotting on the ground or is being consumed for fuel because the price is about nothing after paying for transportation to market. As a companion piece to this picture, there are thousands of people starving in the Eastern and Middle States for want of bread. Were it not for the fact that this subject is brought home so closely to the toilers and tillers, the political hacks would make them believe that the evil had its origin in over-production. We hope the lesson will teach the voters of the West that a lack of distribution brought about by the greed of corporations is responsible for ten of these troubles where over-production is the cause of one.

The Arkansas Dispatch (Prescott, Ark.)

Every official at Washington knows the conspirators erased "for" and inserted "after" in the bond act of July 14th, 1870. And they know the people have been robbed of millions of dollars. Yet not a man of them has the manhood to say "stop thief." Elect honest men.

The Anvil (Castroville, Tex.) says:

If Secretary Wisdom 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. There are many ways of comparing and illustrating statistics. By looking over a file of the Workmen's Advocate it will be seen, for instance, that several weeks before the Telegram had thus spoken of the "taxing power" of the railroads, we had not only given an account of the enormous profits of those corporations in New York State during the past year, but had observed that the "taxing power" of the whole railway system of the country, as shown by its annual receipts, was more than three times the revenue of our national Government.

The Springville (Ala.) Advance notes enterprise on the part of a contemporary:

The editor of the Waycross Reporter is clubbing his paper with the Congressional Record. The Record is an excellent thing to club with, but we had rather club our delinquents with it. It is better than a policeman's club for that purpose.

The People's Signal (Marlin, Tex.) touches the race question:

There is but one conflict between the white and black races of the South, and that is justice. Give the negro justice under the law and he will soon learn to not only appreciate it but defend it. They proved this during the war when they followed their masters to the front of battle and not only refused to desert them but were in numerous instances willing to die by them.

The Journal of the Knights of Labor (Philadelphia), discussing newspapers, says:

Great fortunes are built up on falsehood—on false political economy instilled into the public mind by writers who either know that they are lying, and do it deliberately and of set purpose as a means of acquiring money and celebrity, or who have reached the further stage of judicial blindness, God having "sent them strong delusion that they may believe a lie." In addition to the general, all-pervading, underlying falsehood of the justice and rightness of methods by which one man can rob thousands of the greater part of their earnings to make him enormously wealthy, there are the specific, individual falsehoods put forth in all business, financial and legislative operations which lead to the accumulation of riches.

The Nonconformist (Winfield, Kan.) says:

Our political godfathers never weary of tendering advice to the laboring community about their extravagance. What for an example do they set in their management of public affairs? From statistics in THE NATIONAL ECONOMIST we observe the expense of conducting the Government in 1860 was equal to \$2.07 per capita. To-day it is nearly \$6, and the increase asked for by Secretary Winfield is equal to 30 cents per head additional. In 1860 farmers were not in debt, business men were not going to the wall on every hand, nor was the district court and sheriffs' business a circumstance to the present. Something wrong, gentlemen; something wrong.

The Live-Stock Journal (Cheyenne, Wyo.) discusses a bounty tax on wolves' scalps, and repeats the statement of the silver men about the East Indian trade:

A two dollar tax in Albany and a five dollar one in Laramie, would result in all the Albany county wolves moving over the line, where their scalps would be sought after. No common wolf would remain in a cheap John county when an imaginary line was to be crossed.

The Alliance plan of insurance calls forth the endorsement in the Huronite, of Huron, S. Dak.: C. F. Merry, insurance inspector and examiner for the department of North Dakota, has been in the city for a week or more. His business here was to examine the books and affairs of the Fidelity and Alliance Insurance companies, by instruction of State Auditor Taylor. Mr. Merry completed his work here Friday morning and departed for Yankton, where he will look into the affairs of the Yankton Fire Insurance company. Previous to his departure he received notice of his

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appointment as insurance inspector for South Dakota. In reply to an inquiry by a Huronite representative, Mr. Merry said that he found the affairs of the Fidelity and Alliance companies in very satisfactory condition. The business is managed on strict business principles, and the books

present a correct showing of affairs and prove that both companies are doing a fine business; safe, honorable and careful. The management of the organizations is in the hands of conservative yet prudent men—who will conduct it in such manner as to win the confidence of the public. Mr. Merry will make his report to the auditor in a few days.

Jennings (La.) Reporter says:

Corn is selling in Kansas railroad points at 11 cents per bushel; oats 10 cents, wheat 50 cents; hay \$8 per ton; good cows \$10 to \$15; fat cows for shipment, 1½ cents per pound; horses and mules about two-thirds of what such animals were worth four years ago.

The Arkansas Dispatch (Prescott, Ark.)

An Albany correspondent of this paper, Mr. W. C. Clark, calls our attention to an article in the N. Y. Evening Telegram of a recent date, showing that the gross receipts of the railroads in the Empire State alone during the past eight years constituted a larger sum than the national debt, and that their net annual profits are greater than the aggregate of all taxes levied in this State last year. There are many ways of comparing and illustrating statistics. By looking over a file of the Workmen's Advocate it will be seen, for instance, that several weeks before the Telegram had thus spoken of the "taxing power" of the railroads, we had not only given an account of the enormous profits of those corporations in New York State during the past year, but had observed that the "taxing power" of the whole railway system of the country, as shown by its annual receipts, was more than three times the revenue of our national Government.

The New Era (Amherst, Va.) states:

We find those who are settling up their accounts with us are generally Farmers Alliance men. An Alliance man always does the square thing. With this accomplishment success is assured.

The Dakota Ruralist (Huron, S. Dak.) analyses the situation as it affects the people of that section:

It is not so much the province of the Ruralist to find seed wheat as to find seed thought. Some will say that the situation is attributable to the drought last season, and that plenty of rain would make everything lovely next fall. Is that so? Suppose the farmers of South Dakota should sow 2,000,000 acres to wheat, and should thresh twenty-five bushels per acre, making 50,000,000 bushels of wheat, and suppose all the farmers in the United States who will sow wheat should reap in like proportion. That return is what every individual farmer feels that he ought to have. It would not more than pay fairly for labor and risk at the usual prices, but such a yield which is individually desirable would be universally disastrous. Individual success would be general ruin. As we look out into 1890 we must admit that we are all like shipwrecked mariners, grimly calculating the chances of the others dying as giving us a better chance to live. Is there any solution to the problem? It might be suggested that there are too many farmers. If so, can something be proposed, as to what shall be done with the supernumerary ones? To kill them would be useless labor if the reports of starvation be true. To advise them to emigrate would be disrespectful to our commissioner of immigration. To intimate that they might increase the prices by raising less crops would be insufferable irony. To propose better farming would hardly be in line with what our wise critics say is our policy. To suggest a diversion toward other branches of farming would only shift the pressure, like rolling ballast in a storm driven ship.

The Springville (Ala.) Advance says:

The farmer who says that he has no time to read a paper which is devoted especially to the cause which is of the greatest interest to him, confesses at once that he has turned all the business over to the other fellows who have always lived upon the fruits of his labor, while he simply proposes to do the plowing.

Grand Rally at Malvern, Ark.

Brother Ben Terrel, National Lecturer, and Brother W. S. Morgan, will address the people at Malvern on Wednesday, March 26, on the industrial situation. I am just in receipt of a letter from Brother L. L. Polk, expressing his intention to be with us also on that day. He is specially desirous of meeting the State executive committee and the State officers of the Wheel and Alliance on that day to confer as to matters of very great importance.

Let every State officer and every member of the executive committee be present. Let every member of the great farmers' movement come to Malvern on the 26th instant, and meet these representative brethren.

Fraternally, J. P. H. Russ,
Pres. A. F. A. and I. U.
March 1, 1890.

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FOREIGN IMMIGRATION.

Is it Such an Evil as to Justify the Common Objection?

BY T. D. HINKLEY, OF ROYLETON, ILL.

The United States collectively and severally appear to be in a bad way. Not because the general laws governing the universe have gone wrong, and therefore they, in common with all other countries, must suffer in consequence, nor yet because they have been selected as the special victims of any one of nature's outraged laws. No; nature smiles upon them as benignantly as ever. The seasons come and go with their wonted regularity. The snow and ice of winter are followed by the vernal showers and balmy breath of spring. Harvest follows seed-time. The products of field and forest, shop and mine, skill and knowledge, were never so great as now, and yet, withal, the United States, collectively and severally, are in a bad, a very bad way. Our citizens generally acknowledge this, and the acknowledgement is usually followed by the rapidly becoming stereotyped assertion that "something must be done." The unanimity with which our citizens join in this latter declaration indicates a widespread belief that our case is not hopeless, but that as yet something can be done to relieve us of our bad way. What the particular "something" which must be done is, is as differently defined as the economic doctors who propose the "something" are differently constituted.

Yes, the United States are in a bad way, and the only cause of their bad way is the pig-headed stupidity of the economic doctors who are at the helm of their public affairs. Our bad way is seen in the fact that despite nature's bountiful provision and the unstinted generosity with which she responds to our efforts, yet there is intense and steadily increasing discontent among the class whose toil produces all our wealth, and it is generally understood that the "something" that must be done must have for its prime object the bettering of the condition of our wealth-producers. Considered in this light, and granting for the sake of argument the correctness of the anti-foreign immigration theory, how will the restricting or even the prohibition of foreign immigration better the condition of our wealth-producers? The theory of the anti-foreign immigrationists as applied to the labor problem is, that we have too many laborers here now. If this is true, is it not silly to say that the mere prevention of more coming will cure, or even in the slightest degree mitigate the disease occasioned solely by the present redundancy of our population? All that such a course would accomplish would be a slight hindering of the progress of the disease which the natural increase of our present population must nevertheless persistently and at a steadily accelerating speed increase. If the theory of those who oppose foreign immigration is correct, then the cure of our trouble will be found, not in simply preventing others from coming, but in addition to that we must rid ourselves of a portion of those already here. To acknowledge the theory of the anti-foreign immigrationists as correct, and to attempt to cure our labor troubles by the prevention of further foreign immigration, is about as brilliant a plan as would be an attempt of a community afflicted with small-pox to cure itself of the dread disease simply by isolating itself and refusing to receive other persons afflicted with the small-pox. Such a cure (?) unassisted by other remedies might commend itself to that part of the community who were healthily located and

tors to prescribe the same old medicines, which, more than all else combined, was the very cause of the misery they so fondly believed it his destiny to relieve. But closing our eyes a moment and allowing our imagination full wing, we can readily conclude that their fond faith in the ultimate grandeur and greatness of their bantling was, perhaps unwittingly inspired, not so much by the form of government prescribed, as by the apparently infinite resources of the mighty country of which their puny settlements formed but the faintest fringe. We can the more readily believe this because we find to-day a sentiment prevailing, and which is held by perhaps a majority of our citizens, that surely indicates that had they lived at the time our Government was formed their faith in the ability of our country to relieve the world's distress would have been inspired not by the style of our Government, but by a belief in the inexhaustible resources of the country. I mean the sentiment which is arrayed in opposition to foreign immigration. This sentiment has grown so strong that Congress has not only in obedience to its demands enacted laws restrictive of foreign immigration, but is confidently looked to to raise yet higher the barriers, the building of which was instigated by a mistaken public sentiment. This sentiment, in itself, in view of the fact that our country is not one-tenth part settled, is an impeachment of every 4th of July oration delivered in the last hundred years.

Uncle Sam's condition hardly bears out the proverb that "in multitude of council there is safety." His council is certainly multitudinous enough, but the old fellow seems to evince a partiality for doctors of the old school that bodes no present good to those of the new. It would seem that experience had taught the old fellow that the medicine prescribed by the old "tariff" doctors and "good dollar" doctors is not the kind applicable to his case, and yet the old gent persists in taking their medicines, or that which is prescribed under their supervision to the exclusion of all others. This partiality of his for the old physicians comes, no doubt, from the fact that they have not only been with him since his advent into this vale of tears, but long prior to his existence they doctored his uncles and his cousins and his aunts. To be sure, these old doctors have no cause to be proud of their past success, and to be sure Uncle Sam knows this, and to be sure his coming into the world was heralded by the god-fathers of American liberty as the forerunner of an event the completion of which would work such a mighty transformation as would materially change for the better not only the condition of our citizens, but those of all the civilized world as well. We do not intend for a moment, even by insinuation, to impugn the honesty of the battle-scared veteran who assisted at the birth of Uncle Sam, but we can not help wondering at the child-like simplicity of the faith which prompted them to believe in his ultimate destiny as a reliever of the world's misery, while at the same time, they allowed the same old doc-

ments they need, that our planing-mills, nail mills, and carpenters are standing idle? Have they all the plows and harrows, harvesters and threshers, wagons and buggies, harness and saddles, and other tools and implements they need to carry on their business of farming? Leaving the necessities of life, have they all the pianos and organs, fine furniture and carpets, watches and jewelry, paintings and bric-a-brac—the use and comfort of which they could soon learn to appreciate quite as thoroughly as the whitest-handed grain gamblers or railroad wreckers—they would like to have? If our farmers haven't all these things they need or want, then why are these two million men idle when they would gladly engage in the production of these very things, and would gladly exchange them for the productions of the farmer? If our farmers and laborers who are in the habit of repeating parrot like the arguments of their enemies against foreign immigration, would apply their own unused and rapidly rusting brains to the solving of these questions, it is perfectly safe to say that they would speedily realize how contemptibly stupid their present position is. They would soon realize that, with an empire of land lying at our Western door far larger than the combined area of all Germany, France, Italy, Spain, England, Scotland and Ireland, what we really need is more laborers, many more laborers, and fewer, immensely fewer, scheming parasites whose time and talents are employed only

and to this end it will be absolutely necessary for Uncle Sam to dismiss all of the old doctors and call in the new.

THE Alliance Sentinel (Lansing, Mich.) reports the first work of Brother N. A. Dunning, the national organizer for the State of Michigan:

The National Farmers Alliance and Industrial Union celebrated its advent into Michigan by instituting a Sub-Alliance at Pine Lake, Ingham county, February 19th, 1890. Notwithstanding but few hours notice was given of the meeting and the weather and roads were both at their worst, an Alliance was formed, numbering twenty-one members. The officers chosen were:

George Northrop, President.

Hiram W. Baker, Vice-President.

Daniel B. Potter, Secretary.

Joseph I. Burtraw, Treasurer.

William R. Norton, Chaplain.

Every person attending the meeting joined the Alliance, and all expressed entire satisfaction in regard to the aims, objects, and methods of the order as explained. Arrangements are being perfected for the rapid organization of the State. In a few weeks organizers will be at work, and unless all previous records are broken, Michigan will soon be the banner State of the North. It is just what the farmers of this great State need, and it is safe to predict, that they will avail themselves of the benefits it is certain to bring.

THE Rural World (St. Louis) is still at the stage of reform which advises farmers how to run their business:

Do your own observing, thinking and figuring. If good mutton pays better than wheat, raise it; if spring lambs pay better than beef steers raise them; if it pays better to sell corn inside the hog's hide feed hogs; if two acres of grass will keep a cow and she will produce 300 pounds of butter a year send down to permanent pasture; but at all events think.

No doubt the farmer who tries to do everything will fail at all. A just division of labor, with a proper system of distribution, would reward each best in that line of labor which he is best fitted for, or for which location and quality of his soil is best adopted. The tendency of the times is to single lines of labor for individuals, and the greater economy of the system will tell. The farmer should think how to make every useful productive effort profitable, for industry can not be healthy when no reward is brought to any who produce wealth.

THE Alliance Farmer (Atlanta, Ga.) says: "One of the most gratifying results of farmers' efforts to regain their indebtedness is seen in the fact that men who a few months ago seemed to know nothing and care less about the financial policy of the Government, to day read about such things more than ever before, and discuss them earnestly and intelligently. It is through these men that our country will be redeemed from the power of grasping monopoly and scheming bondholders. Let the good work go on. Through a reform of our monetary system is our only road to independence. No people ever prospered, or will ever prosper, with a circulating medium the volume of which is insufficient to meet the demands of its commerce. With the small amount of money now in circulation, production does not and can not pay. The only things which do pay are trickery and monopoly."

THE NATIONAL ECONOMIST.

The National Economist

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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 and other contracts.

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

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

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

Address all remittances or communications to—

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WASHINGTON, D. C.

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THE NATIONAL ECONOMIST Almanac is sold at 15 cents per single copy, post paid, or 12½ cents per copy in clubs, regardless of number.

HARRY TRACY's great lecture, delivered in Texas and published in THE NATIONAL ECONOMIST of February 1, 1890, is now offered the public in pamphlet form, as follows: 10 copies, 25 cents; 50 copies, \$1.00; 100 copies, \$1.75; 1,000 copies, \$15.00. Delivered to any address postpaid.

BRO. B. H. CLOVER, president of Kansas State Alliance, in a letter to our national president, says: "Our State secretary, although he has the aid of two assistants, cannot possibly keep up with the demand for charters and outfitts. Our order in this State has more than doubled its membership since the St. Louis meeting. We are on a big boom."

FOR the year 1889 329,271 live cattle, valued at \$25,673,366, were exported—about double the exportation for 1888.

AN exchange questions the motive of the Hon. J. A. Pickler, who introduced the sub-treasury bill for the Legislative Committee of the National Farmers Alliance and Industrial Union, because he introduced it with the words "by request," and says that Senator Vance did not so introduce the bill in the Senate. This is an error, as both bills were introduced with the words "by request," and this was done as the desire of the committee, and does not in any way indicate that the honorable gentlemen who introduced them will not support the measure as heartily as they would a bill entirely their own. The committee desires to commend both Mr. Pickler and Senator Vance to the order.

THE Governor of New Jersey sent out to the county agricultural societies of that State a series of questions on the condition of agriculture—the causes of depression—and asked for forms of relief, etc. The national organizer for that State, Dr. Atkinson, of Palatine, N. J., was present at a meeting made up of the board and prominent farmers,

bankers, and their patrons, and to the question, "What legislation will remedy the evils and the depressed condition of the farmers?" he proposed the sub-treasury bill, advocated it, and, although the President is a banker, carried it by a two-thirds majority. Much interest followed the decision.

THE DREAM OF NATIONALISM.

The New York World has published a long article by Mr. Edward Bellamy, the principal figure in the movement called nationalism, looking to the absorption by Government of all industries. Detailing the well-established facts which go to show that the reward of labor goes to non-producers, and noting unquestioned evils apparent under the present system, he says:

That is the situation which has created the need for nationalism. Those are the facts which account for the rapidity of its spread among the people.

The vast disproportion which has been engendered by the accumulation of wealth in the hands of the few, and the comparative dependence in the condition of the many, has long convinced practical men that there is a great wrong somewhere in the workings of the industrial system. The greater number fail to perceive that it is fundamental or radical, but believe that it is due to improper control.

These are mainly engaged in the labor of keeping up parts of the whole, and are students, perhaps, only so far as their personal experience may offer opportunity. The duty of keeping free from obstruction that part to which accident or choice may have confined their operations is assumed as their whole duty, and a failure to succeed is patiently taken by them as due to some want of capacity which must be supplemented at their own expense, as it were. In this spirit of abnegation they submit to the state of inferiority in which they are placed, failing to come to the true conclusion that the very ill-condition of their industrial part is the result of a law or cause by no means remote. That part of the people so fixed is the conservative element of society, governed by conscientious adherence to what they consider duty, and can always be depended upon to ask by what right one proposes a radical measure. The producers now realize that somehow Government is party to the injustice which prevails, and this largely accounts for the severance of traditional conservatism in the organization of nationalist clubs. In the great cities, where social differences are most obtrusive, the movement is most vigorous, probably less because of deeper investigation than of greater despair of securing justice to the masses under present institutions. To the practical reformer the question recurs, would the system proposed really improve conditions? And admitting this, would the evils be permanently removed? Would the individual right of the citizen be guarded against tyranny by the ruling power?

The system evolved by Mr. Bellamy is rather the conception of a dreamer, the vision of a poet, than the plan of an every-day

worker. It assumes that the condition of society is progressive and ignores any idea of reaction. To make possible this dream requires a reformation of those instincts and human passions which make up individual characteristics. This assumption will not be accepted by the ordinary man of to-day, and is liable to serve only as an impediment to the cause of reform. Men who believe the worst features of the present system have been impressed by a wrongful exercise of governmental power will long hesitate to enlarge the scope of that power until it reaches the minutest concerns in human affairs. To live absolutely under rules of government implies an inquisition that self-respecting men would revolt at, and could only be made possible by the exercise of a power by rulers such as those who believe that Adam fell are unwilling to entrust to mortals. Therefore it is doubtful whether this beautiful vision will disturb the minds of men for long. Until the average conservative is convinced that men are incapable of selfishness he will be rather amused by the nationalist theory. Meantime the enthusiastic devotees of this newism may do good by the very suggestion which its existence causes, that men despairing of justice will avail of tentative projects, no matter how radical, in their efforts for relief. Under this view, would it not be well to unite on a plan of relief which would restore the republic of the fathers to its original purity and the conception of its founders, with ample protection for the individual from possible tyranny? Nationalism means the most extreme system of paternalism, and therefore the greatest power Government can exercise. Rather admit the citizen to every right which he can exercise without wrong to another. Regulation of those industries upon which all men depend, and by controlling which one may obtain advantage over others, is necessary, and on that line doubtless there will ultimately be a consolidation of all the forces organized for reform. This may be incidentally assisted by nationalism, but at present the connection between the two is as remote as that between a church raffle and conversion of the heathen.

THE Galveston News of the 12th ult., publishes a leader commenting upon the sub-treasury plan. It says "interest on money, as it is at present, includes a large element of payment for scarcity value, and restrictive law makes the scarcity." The News has made a mistake in this, because the scarcity value of money is an antagonist, not an auxiliary to, interest. A restricted and insufficient volume of money is always attended with low rates of interest, and a large volume with high rates of interest. The scarcity value of money at present is greater than at any time for thirty years, and yet should the proposition now before Congress to fund the national debt on long time at 2 per cent per annum pass, the bonds would be taken in a very short time. When the volume of

money is adequate to perform the business of the country without resort to credit paper, money is comparatively plentiful, and in order to get employment seeks investment at greater risk where it gets greater reward as interest, but when its volume is inadequate to perform the business of the country without credit paper its scarcity value on account of the inflexibility of the volume develops a more potent and profitable force than interest, that is "the power of money to oppress." This power pays capital a larger return for hoarding than the most inflated times ever paid it in interest, consequently interest is no object, and a large part of the restricted volume is hoarded, thereby increasing the pressure upon those who must exchange the products of their labor for money to meet obligations. It is the inflexible volume that enables those capable of hoarding a large per cent of the gross volume to create a scarcity price of money, and thereby apply the power of money to oppress by its scarcity at their own pleasure. There could certainly be no surer way devised for enslaving productive labor to such class.

The News further says, "A plan to have Government own and manage warehouses must unquestionably give the Alliance the task of combating a serious opposition to the extension of Government functions." Not necessarily. The Government is now issuing money to the national banks on the deposit of evidences of debt, and it will be no extension of Government functions for it to issue money to the farmers on the deposit of evidences of wealth that must be redeemed because demanded by consumption within twelve months. The construction of warehouses and elevators is no extension of the functions of Government, because it has been the custom for it to build post-offices, custom-houses and other necessary buildings from the start. The warehousing of a product and conducting the warehouses is not an extension of the functions of this Government because it is now engaged in that business and has been for years. It runs bonded warehouses for the storage of whisky and conducts them for the whisky producer free of expense, which costs the Government over four millions of dollars per year of money raised by taxing the balance of the people. That is not all; it gives the distiller a receipt or form of copy of its records that is negotiable and enables the distiller not only to borrow money against the whisky he has deposited, but against the added value three years of Government care will give it and against the revenue he will pay on it at the end of three years. The farmers do not ask that much; they only want twelve months leeway, and propose to pay the Government for everything it does. The measure is not class in any sense of the word, but it is to some extent experimental, and the leading agricultural products that must be speedily demanded for consumption constitute the safest, easiest and best basis for the introduction and test of the principle.

Fraternally yours,

THE NATIONAL ECONOMIST.

OFFICIAL.

To the State Crop Statisticians of the National Farmers Alliance and Industrial Union.

DEAR BROTHERS: In transmitting blank forms for your May reports as to acreage of farm products, I feel that I can not too earnestly impress upon you and the fraternity the fact that hitherto speculators and stock exchanges have so manipulated the reports of both Federal and State agricultural statisticians as to make them false, and instruments subservient to their own selfish gain,

and have thus been enabled to sell and realize immense profits on our crops even before planting or maturity. By such undue advantages, millionaires have become common, whilst the farmers, robbed

of their *just prices*, have grown poorer and poorer yearly, their farms becoming so heavily mortgaged as to soon pass from their possession. Thus farm products are fast becoming expropriated by the operations of speculators, and unless this tendency shall be checked, the next generation of farmers will be a generation of tenants-at-will.

Under such serious and impending conditions it is evident that in a full development of our strength and a fearless enforcement of those true and patriotic principles found in the announced teachings and cherished doctrines of the Farmers Alliance and Industrial Union, lies the prosperity and financial safety of the productive classes of our common country, who have so long borne the oppressions of reckless speculators, soulless corporations, and unjust legislation.

We can hope to reach our desired and wholesome results only through the vital and harmonious efforts of every member of our brotherhood in all of its departments.

To efficiently utilize the full force and effect of our unity, it is essential that every member be thoroughly enlightened with accurate knowledge of the *extent and amount of our leading farm products*, such as cotton, tobacco, corn, wheat, etc., as well as to have a clear conception of our natural and legal rights under the spirit and language of the organic law of our Government, and to obtain such information as to farming statistics in reliable form we must depend upon such resources as are within our organization.

The Supreme Council at the St. Louis meeting entertaining such views, enacted sections 17 and 18 of the statutory laws, hereto appended; making it a part of my duty as Secretary of the National Executive Board to make such crop reports to the President as he may require, and in pursuance of the duties thus imposed, I have recently prepared and issued a circular letter setting forth in general terms the character of the reports expected from State statisticians, and now, in further discharge of my duties, I have prepared such blank forms as are deemed necessary for the reports of State, county and sub-union statisticians.

Fraternally yours,

J. FOUNT. TILLMAN,
Sec'y Nat. Ex. Board.

SEC. 17. The Secretary of the Executive Board shall be the crop statistician of the entire order, and shall make such crop reports to the President as he may require.

SEC. 18. Each State body in this jurisdiction is requested to select and report, by the first day of January, a State crop statistician, who shall require such reports from county statisticians and make such reports himself as may be required by the Secretary of the Executive Board.

[Alliance papers please copy.]

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. 45.

THE ASSAULT UPON COMPETITION.

The purpose of industrial trusts and railroad pools alike, having been shown to be the suspension of competition, it becomes pertinent to inquire into the nature of that force and to study whether its free action is harmful or beneficial.

No principle of commercial law is at present more widely attacked, both by theorists who declare its injurious character and by organizations which seek to suspend its operations, than that of competition. Upon this point the concentrations of capital join hands with the socialist organizations, so far as theory is concerned. There is a difference between them in degree. The organizations of capital admit that there must be some competition, but claim that it must be kept within reasonable limits and restrained to a certain degree. Their actual practice shows that the limits which they regard as reasonable are drawn at the point of suspending competition in their own interest and leaving it in free operation as against the masses.

The socialist theories are more complete and more consistent. They assert that competition is a destructive and oppressive force; declare that it grinds down the masses to the condition where they are obliged to accept the lowest possible return for their labor, and liken this force in economic operations to the theory of the "survival of the fittest" in the development of nature.

The issue thus presented contains the pivotal question of all our economic and social organizations. If competition is a destructive and injurious force, and if it can be removed, the operation involves the entire reformation of the commercial and industrial structure, the discarding of all the principles which have heretofore furnished the foundation for popular government, and the founding of a new system built upon the theory of controlling the labor, the industry, the invention of each individual by the State, and the direction of all labor, enterprise and ambition, not as individual code or judgment may direct, but as the supreme authority in the new social organization may decree to be for the benefit of the entire community.

The issue is really that between individualism and communism. I am not trying to scare the public mind from the fair consideration of this subject by a word which has attained an obnoxious meaning. Let us view the subject without prejudice against any theoretical organization of society. When we do so we will see that if the theory of individual competition, or of permitting the highest development of each individual's

opportunities and wealth, which is the sum total of competition; is injurious to the community, we can not stop short of the logical conclusion of placing the efforts of all individuals under the control of a community to be exercised, not for individual advancement, but for the benefit of the whole social union. When the proposition of discarding not only the economic laws, but the social organization upon which modern civilization has developed and all the progress of the past two centuries secured, it involves the progress of the human race, to be sure that the indictment of competition upon which such a revolution must be based is correct. Nothing less than the future of humanity depends upon our being certain that the principle and force of competition is injurious, or that it is beneficial. This is sufficient reason for an exhaustive and conclusive discussion as to whether the force which socialists and monopolists alike agree in opposing is one that operates for the injury or for the benefit of society.

It is evident from the start that the decision can not be accepted half way. The nationalists of the Bellamy stripe are more logical in their declaration that competition is an evil which must be wholly abolished, than the advocates of the combination system, who claim that competition must only be restrained under certain circumstances and within certain limits. Either we must accept the socialist doctrine that everything in the line of individual competition, either for advancement or for wealth, must be reformed out of existence, or we must stay upon the basis of social organizations which exist at present. There is no middle stopping point. If the principle which now regulates and distributes the rewards of industry is a destructive and oppressive one, it will not do to halt anywhere short of its entire abolition. The theory of the trust writers that combinations must regulate and restrain competition within the certain limits which the trusts indefinitely propose, means a partial abolition of the force, which would not remedy its alleged evil effects, but must invariably aggravate them. It means that competition is to be abolished or restrained in behalf of certain interests, and that its destructive effects are to continue their operation upon those classes not favored by the restriction. This, wherever attainable, creates privilege. One class can pursue the work of life free from the restraining or destructive influence of competition, while that force is concentrated upon the other classes, who have to bear not only their burden but the charge of those who, by the partial restraint and limitation of competition, are freed from it. In other countries the creation of a privileged class to enjoy the easy share of life at the cost of the masses may be still an open question. In this country it is so completely at variance with all our ethics that it can not be taken into consideration. The partial abolition of competition means privilege; therefore, it is demon-

strated, if we admit the destructive and oppressive nature of competition, that we can not stop short of the socialist purpose of totally abolishing that force, and substituting for individualism the common control and direction of property, labor, energy and intellect.

As opposed to the socialist and monopolist denunciation of competition, is the assertion of the orthodox economists, that the force of competition, is the most complete and beneficial regulator of prices, profits, and the rewards of industry that human ingenuity could devise, or that nature could establish. A very forcible declaration of this principle was made in a recent article by Gen. Francis A. Walker, as follows:

I must deem any man very shallow in his observation of the facts of life, and utterly lacking in the biological sense, who fails to discern in competition the force to which it is mainly due that mankind has risen from stage to stage in intellectual, moral and physical power. While individual and even sometimes wholesale wrong has been done, this has been either as an unavoidable incident of great, perhaps prodigious gains to humanity as a whole (for example, the application of steam and the invention of machinery), or else it has been because competition was unequal upon the two sides. Generally speaking, where injury is wrought by competition, it is because there has been, not too much, but too little of it. * * *

The true remedy is to be found, not in having less of competition, but in having more of it. Perfect competition, equally exerted on both sides, like the pressure of the atmosphere, would result in absolute justice. That would be the ideal economic state, in which no man should ever fail to sell his goods or his service in the highest market, or to buy the goods and the services he requires in the cheapest market. * * * When I sell my service or my products at the highest attainable price, what does this mean, but that I have found the very person of all the world who has the greatest need of it; who can make the most out of it; to whom it will bring the largest satisfaction of wants and desires.

While I need not say to the readers of the NATIONAL ECONOMIST who have followed my previous articles, that the position stated by Gen. Walker, is exactly the one which I shall endeavor to substantiate, it is necessary to criticise that writer's attitude as a defender of competition. He makes this statement of the high and universal function of competition, in opposition to the socialist school of Mr. Bellamy. It would have been a far higher exercise of General Walker's power as an economic disputant, and would have proved far more useful to the public in restraining injurious assaults upon this force, which he recognizes as of the highest good, had it been defended more strenuously against the practical attacks of organized capitalists, than against the theoretical attacks of the unpractical socialists. While, as we have just said, the conclusion of the socialist is the more logical, if the injurious nature of competition is conceded as a promise it still remains the fact that mere theoretical assaults by those visionary re-

formers can affect but slight changes in the economic organization of the ages. When a public writer perceives, as General Walker so clearly states, that the injury, injustice and inequalities of our industrial and commercial system arise not from competition, but from obstructed and uneven competition, should it not be the duty of such a writer to devote his energies to exposing the devices which makes competition unequal, and which produce wrong and hardship? If Gen. Walker had turned his powers to the defense of competition against the assaults of the trusts, as energetically as he does against the merely theoretical attacks of the socialist reformers, he would defend it against its most dangerous enemy and make himself a stronger bulwark in the defense of economic law.

To complete the statement of the issue for and against competition, it is interesting to cite a recent deliverance of the national party, the organization of the Bellamy school of socialists. "The principle of competition" says the nationalist platform, "is simply the application of the brutal law of the survival of the strongest and the most cunning." This is a comparison of the law

of competition to the theory of the principle of natural selection, otherwise known as "the law of the survival of the fittest." The nationalists characterize that law with unfavorable adjectives; but suppose we amend the statement to make it "the law of the survival of the most intelligent and the best able to carry on the work of life." Is such a law for the benefit, or for the injury, of the human race? Is not the survival of the fittest more to be desired than the survival of the unfitness? Is not the principle of natural selection which enacts that the race shall, as it grows older, grow wiser, and more able to subdue nature to its purposes, the strongest evidence of a beneficent purpose overruling the entire system of creation? Laying aside the question as to the absolute truth of the natural law of selection, it can be easily defended as an abstract proposition, that a force which enacts that the qualities of strength, courage, industry and intelligence, shall override and triumph over those of weakness, cowardice, laziness and stupidity, is of the greatest benefit, and will in time work out the nearest approach to the universal dream of millennial happiness.

With that understanding of the question, there is no need to challenge the socialist comparison of the law of competition to the law of natural selection. It is true that the law of competition is the application of the law of the survival of the fittest in industrial and commercial life. If its proper application secures to the public that the qualities of dishonesty, weakness and inefficiency shall be doomed to extinction and ruin, while the qualities of industry, intelligence, fairness and integrity shall dominate and win the highest prize, is it not for the welfare of society that such a force shall con-

INTEREST ON BONDS ANTICIPATED.

During the financial squeeze in Wall street the first of January, when yearly settlements were made, the Secretary of the Treasury was asked to anticipate the interest on the public debt, and as usual made haste to comply. This has led to several inquiries as to the law under which this advanced payment was made. Below is printed the act giving such authority. It may be found on page 153 of the laws relating to loans and currency, or section 3699 of the Revised Statutes, Vol. 13, page 404:

That the Secretary of the Treasury be authorized to anticipate the payment of interest on the public debt, by a period not exceeding one year, from time to time, either with or without a rebate of interest upon the coupons, as to him may seem expedient; and he is hereby authorized to dispose of any gold in the treasury of the United States not necessary for the payment of interest of the public debt: Provided, That the obligation to create the sinking fund according to the act of February 25th, 1862, shall not be impaired thereby.

Approved March 17, 1864.

This passed Congress as a joint resolution without proper debate, and has stood as a standing bribe for a certain class of rascality ever since. Under this law the Secretary can anticipate interest on the whole public debt for one year. The people have never been informed to what extent this arbitrary power has been used, and at this late date it would be impossible to ascertain. One thing is true, however; this power should be taken from the Secretary. Interest on the public debt for 1889 was about \$40,000,000. Under this law he could hand over to the bondholders the whole amount, giving them the use of it for one whole year, which would be the same as a present of \$3,200,000. It may be said he would not abuse his authority to such an extent. The safest plan, however, would be to remove the means by which it could be done. During the year in which this law was passed (1864) more than one-third of our national debt was contracted. It was at this same period that coin was at its highest average premium, about 250 per cent. The interest on the bonds was payable in coin, and for this reason the act afforded opportunities for extended frauds in the purchase of bonds. For example, a person with \$100,000 in coin could sell the coin for \$250,000 in greenbacks. With this \$250,000 in greenbacks he could purchase \$250,000 of United States 6 per cent bonds, interest paid in coin. At the time of purchase he would receive the \$250,000 in bonds, and \$15,000 in coin as interest paid in advance. This coin would sell for \$37,500 dollars in greenbacks, to be again converted in bonds; continuing in this manner until the amount is too small for investment would give the investor nearly \$300,600 in bonds for the original \$100,000 of coin.

The real facts will never be known, but, judging from the manner in which all similar laws have been treated by the banks, it is fair to presume that this one was worked to

its utmost capacity. Bonds purchased under these conditions are now being bought back by the same department at the rate of 127 cents on the dollar. The American system of finance is wonderful in construction and marvelous in its application.

Contraction Truth from Wall Street.
Iowa Tribune.

The American Banker, published in New York city, of week before last, took up the cudgel for more money and showed the crime of the contraction policy, and practically indorsed the great argument of the greenbackers and added its warning words. But do not be deceived; this organ of monopoly is not seeking relief for the people so much as to secure circulation for the banks. According to their notions the people must not be relieved from the money famine except by borrowing more millions of bank notes and bank credit at ruinous rates of usury. The arguments presented, however, are very valuable to the men who have been fighting the banks.

The article was on "The Financial Needs of the United States." We quote:

This country has increased in population from 51,000,000 at the date of the redemption of specie payments (January 1, 1879) to 60,000,000 in 1890, while the wealth of the nation has grown in the same time from \$43,000,000,000 to \$63,000,000,000. The business of the country has enlarged in fully as great proportion with a corresponding increase in the demand for money, the sinews of business. With this enormous growth in population, wealth and business, there has been a policy of contraction, strenuously pursued by the Government, which has crippled trade and made production largely unprofitable, so much so that the wonder is at the great improvement under the depressing circumstances.

The more the farmer raises the poorer he becomes—why? The price is below the cost of production—wheat, 35 to 60 cents; corn, 18 to 25 cents; oats, 12 to 15 cents. In the East it is competition against combination, capital against labor, with the prices of articles and labor generally lower than in 1879, the period of comparison for the purposes of this article. On the basis of property worth \$910 per capita, the entire circulation in money, including amount in Treasury and banks, does not exceed 20 per cent or \$21.66 for each person. Any one who will consider for a moment this state of things will see how burdensome it is to be property rich and money poor. In many cases it has been a positive disadvantage to have property and lack the means to maintain and develop it, especially where it could not be used as a security, or where it was capable of being used for a loan on terms so stringent as to amount practically to sacrifice. No proper fair comparison can be made between a country as young, vigorous and as rapidly developing as this with countries that have reached the maximum of their improvement as to their respective financial requirements any more than there can be of the physical demands of manhood and decrepitude.

Contraction, the Banker says, is being enforced to the detriment of all classes, and will, if persevered in, precipitate panic in the usual train of paralysis and prostration. It will be observed that the basis of this argument is all the money in the United States, in the Treasury and in the banks, and based upon liberal guesses as to the amount of coin money, while allowing nothing for the destruction of money by fire losses, etc. In short, the Banker estimates more than twice the money in actual circulation, and then warns the country that business can not endure the present contraction policy.

Labor's Tribune (Carthage, Mo.) says in regard to English capital:

English capital is now in the act of absorbing the sash and door factories of this country, options having been secured on thirty-five plants calling for about \$25,000,000. These properties are located in the East with a number in the West. On with the dance! If there is anything else England wants, let her call for it.

THE NATIONAL ECONOMIST.

APPLIED SCIENCE.

In Agricultural and Rural Economy.

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

PHYSICAL CULTURE.

The increase of insanity, of imbecility, and of moral debasement, has not been diminished; it has been augmented by the transfer of our educational system from the private to the public schools. Those persons who argued that schools were less expensive than jails stand confuted by an array of figures which are truly alarming. It is true that the American census, itself a part of a political machine, is undoubtedly very faulty and erroneous in very many respects. It is putting it mildly to say that all its data are evidently influenced by political bias, and many believe deliberately doctored to bring them into harmony with divers partisan frenzies. If such criticism be justified only in part it is certain that the figures which show that the increase of crime and insanity has greatly outgrown the increase of population have not been falsified nor exaggerated for partisan nor political effect. These figures are undoubtedly reasonably accurate, and they show, moreover, that very generally the increase of crime has so mean and despicable as for a parent to steal the play-time of a child. We tell these

their books; tormented before their time with a task too much for their powers; learning not to be in need of a jail or an asylum later on. Some of them ought to be at their mothers' breasts instead of being propped up behind a school desk. How many floggings in Boston at one school session? Twenty-eight thousand, as we remember the figures. How many of these upon the frail and tender bodies of little helpless ones—seven years old or less? Tell us, who knows how many of these twenty-eight thousand public floggings in the public school was the first link in a chain which shall end in jail, in an asylum, on a gibbet, in a suicide's, a felon's, an outcast's grave. This writer tells whom it may concern that to flog a young child because it can not do a task that no sensible person would expect it to do is a crime, and a base crime. In fear and dread of this unjust chastisement many a poor little child denies itself play, which is the physical culture provided by the God of nature for the young of all creatures. It can not eat, or, if it eat, it can neither digest nor assimilate its food; it can not even have "tired nature's sweet restorer, balmy sleep." The ever present task, the ever dreaded flogging converts its joyous young life, as it should be, into one of untimely sorrow and suffering and over strain. There is no theft to this subject in future.

ICE.

The present has been in a large degree a winter without ice as far north as the Hudson river. It is announced that this will not affect the supply nor the price in any of the principal cities. It is reported that a company recently formed in Richmond for the manufacture of ice machinery for artificial freezing took orders in a very short time for \$90,000 of machinery for Salem, Lynchburg, Roanoke, Fredericksburg and Danville. Possibly the day is at hand when the itinerant ice machine will take its place along with the threshers and saw mills, going from house to house to make ice at the door of the ice-house cheaper and better than it can be cut and hauled from ponds and streams. One great advantage in this plan will be that pure, clean water is likely to be selected for freezing in the ice machines, whereas the ice gathered as now is frequently from questionable sources. Sanitarians have shown that ice is a common vehicle of infective disease. Freezing does not destroy; it does not impair the virulence of the bacteria of the disease. Moreover, it appears to be now clearly shown that the matter morbi produced by the bacteria is capable of producing the disease, notwithstanding the bacteria may have been killed, or have died from any cause. If the water is dangerous the ice will not be safe, and the ice pond should be as much above suspicion of contamination as the well or spring which supplies water to drink. Many think so, but the ice is no cleaner and no less dangerous than the water may have been before freezing. Does anybody seriously suppose that dirty water makes clean ice, or poisonous water wholesome ice? We think that both safety and economy calls for the itinerant ice machine in rural districts, especially on Southern plantations where there is never a natural ice crop, and in the Middle States, where there is no certainty in it. Ice can no longer be regarded a luxury. In the prevention and the treatment of sickness its value is such that it ranks among the necessities of life. Our readers will indulge us while we give one more short sermon from the old text. We must have more of the modern conveniences in country life.

It is necessary to diminish the existing contrast with urban life in this respect if we are to keep our children out of the towns. Whatever has even a tendency to check the modern-crowd mania, the uncontrollable madness and frenzy with which our country people are bent on getting to towns at any cost, is worthy of encouragement. The ice harvest, when we have ice, is one of the bugbears of country life on the present dilapidated condition of the rural labor supply. If we had machines to fill the house by contract as we get our grain threshed, how vastly more convenient; and it ought not to cost half the present expense. This is but one of innumerable cases in which science may well be successfully applied in the economies and labors of rural life. It is science thus applied which will restore to country life something of its former delights.

THE NUTRITION OF PLANTS.

The passage of a porous membrane by substances in solution is technically styled osmosis; the passage from within outwards is exosmose; from without inwards endosmose. The study of these phenomena bring into view many curious facts. A knowledge of these processes is essential to a clear comprehension of the phenomena of the separation of plant food from soil combinations, and the absorption of it by the root action of actively vegetating plants. As long as the notion exists that the alimentary materials of plants exist in the soil in a state of solution, and are taken up by the roots as a sponge soaks up water, so long will erroneous practice prevail in the application of manures and the cultivation of land. Undoubtedly if the ash minerals and the nitrogen of plants existed in a state of solution in the soil they would soon pervade all parts alike in equal distribution, and the position in which the manure was deposited upon, or in the soil, would be a matter of indifference, and would in no respect and in no degree influence the development of the roots. It is, however, clearly established that the great bulk of manure remains substantially at the spot where placed, and distributes very slowly and with much difficulty in any direction, even directly downward assisted by gravitation. The roots of plants develop themselves in contact with the manure in whatever position it may be placed within their reach. It is by their action separated from soil combination, brought into solution and passed within their channels of circulation in obedience to the laws of endosmose as affecting a living membrane. We are able to observe and recognize this osmotic action of root membranes by its effects, but what this power is we no more know than are known what gravitation or the force of chemical combination are. If we admit that plant food exists in various states of soil combination, and must be separated from those combinations by root action prior to taking part in the nutrition of plants, we shall be in a position to make progress. Few who have not taken the trouble to make observations on the point, have any adequate conception of the prodigious extent of contact with the soil the feeding roots of plants display. This great surface represents a delicate porous membrane within which is the circulating fluid of the plant in contact with its inner surface and in contact with its outer surface, the soil. This membrane is not merely endowed with physical and chemical powers; it is alive, and therefore, a medium primarily for the display of physiological energies. A feeding plant, do not forget, is a living organism in action. It

exerts all its physiological energies in selecting, dissolving, absorbing, as a vital act, those chemical substances of the soil which constitute its alimentary materials. The circulating fluid or sap of a plant has a part of a living organism properties which it can not possess when separated from the influence of the parent organism. Therefore, it is that plants in a state of nature do not require the assistance of the chemical manipulation of their food. In a state of nature there is, for example, no "reverted" phosphoric acid; no "soluble" phosphoric acid, but only the insoluble tribasic acid. It has been held that a little bit of tribasic phosphoric acid does, from time to time, assume some soluble form in the soil to supply the needs of plants. Such a thing can not be in a soil that contains sufficient basic minerals to constitute the ash of plants. But the truth is, that tricalcic phosphoric acid of the soil in contact with the outer wall of the root membrane, in contact with the inner wall of which is the sap, suffers solution and passage within the membrane by osmosis. This is true of other ash minerals which are insoluble in soil water, or in distilled water in the laboratory. All the labor and cost of making soluble compounds of plant food goes for naught, any further than by the minute division thus secured greater quantities can be got in contact with the outer surface of the absorbing root membranes. The analysis of fertilizers it follows does not indicate their value, but may lead to widely erroneous conclusions.

THE SHROPSHIRE DOWN SHEEP.

Among the numerous breeds developed by crossing with the Southdowns perhaps none surpasses in general excellence the Shropshires. Hardy, prolific, and bearing an excellent fleece, and somewhat heavier than ordinary Southdowns, though not many of them will outweigh Lord Walsingham's 20 months' old pure Southdown wethers, which averaged 255 pounds. So far as can be judged by the importations from famous English flocks, the character of the breed is considerably improved in the past decade, and at present it may be said no breed is more popular. It is said that the Shropshires have been produced by the use of Southdown rams upon the lines of a cross-bred race derived from two old sorts known as the Songmynd and the Cannockchase sort. In early maturity the Shropshires are scarcely equal to the Hampshires, but in quality of mutton they are superior to any sheep except Southdowns. They are more like Southdowns, and have, in fact, more Southdown blood in their make-up than any other of the so-styled down breeds. There was, in fact, no great uniformity or purity of blood in the original Cannock Chase-Songmynd ewes, which formed the basis of the Shropshire crosses, and the Shropshire breed is substantially the result of inbreeding Southdown grades of from three to five crosses until by the selection of a model and breeding for its production a slightly modified Southdown has been produced, under the designation of Shropshire-down. It is not pretended that in its present form it is not a good and distinct breed, but that it differs to a smaller extent from the Southdown than any other of the downs. They therefore bear up against bad management, shelter, and stand harder stocking than any other new breed of down.

Mr. Lyman, of Albemarle county, Virginia, has recently imported a very select bunch of Shropshires, and there are other good flocks of earlier importation owned in Virginia and other States

The Prospect for Relief.
BY AN ALLIANCE MAN IN WASHINGTON.

Much time has now passed and will be embraced in the second session of the Fifty-first Congress. Just what has been done in committees it is impossible to tell. That a great advance has been made in the adoption of rules to govern the House that will not only secure uninterrupted progress in the transaction of business, but will place the responsibility of speedy and just legislation where it belongs, upon the majority, is a grand triumph in the interest of all the people, and one that places the Republican majority in position to secure a strong hold upon the laboring class of wage-earners. The questions in which we are the most interested at the present time are: Will they see their opportunity? and are they equal to the emergency? To an outsider it looks so plain that a wayfaring man can see. Public discussion has gone on until the public mind has become thoroughly awake to the disastrous results growing out of the centralization of wealth. To all it has become plain that property interests are rapidly passing out of the hands of the masses and into the hands of the few. The causes that have led to these results are not as plain. While some are disposed to charge it up to the national financial policy, others see the principal cause in the great trusts and combines, and still others in high rates of interest and the contraction of the circulating medium. There is little doubt but all these causes may be charged up with a share of this trouble, and it may be so difficult to assign each its proper share that no adequate remedy can be applied. That legislation will be proposed on several of these lines we do not doubt. How they will be received it is impossible to predict with any degree of certainty.

The sub-treasury bill already introduced, the discussion in committee and between individual members all indicate a general awakening upon this great economic question. With a hopeful future for the bread earners of our land, the Government of Lincoln is not so far removed from its old landmarks that the people have only to show themselves completely alive to their own interests to force our law-makers into giving us a Government by the people and for the people. At the present time the awakening is so general, the complaint so loud, the remedial legislation so intelligent and practicable that grave Senators are not so far removed as to be indifferent to their demands, or unmindful of the fact that unless formed in line with their advance idea, they must give place to those who, coming fresh from the people, and being of that class of people whose personal experience will close their eyes to the theories of a dead past, and live in an active, progressive present, and prosperous happy future.

From these considerations, I am really hopeful in the belief that Congress will not adjourn until not only careful consideration and public discussion, but advance legislation looking to a brighter and more prosperous future for the masses of our people.

THE TRUTH (Cleveland, Ohio), "the only labor paper in Northern Ohio," says:

The tramp is one of the protégés of our present industrial system. He is simply one who is out of employment. It is not his fault that he is what and where he is. He has been crowded down further and further by circumstances over which he has no influence or control. He is simply one who has been battling with misfortune at every step. It is our duty to lift him up and give him an opportunity to earn an honest livelihood. The eight hour workday will do it.

THE NATIONAL ECONOMIST.

SILVER COINAGE.

Its Importance as Viewed by Two Correspondents.

BY J. W. PORTER, OF CHARLOTTESVILLE, VA.

The attention of manufacturers and business men generally can not be too quickly called to the condition of the agricultural interests of the country, and of the causes which have led to it. The plaint that comes from every part of the country of hard times is only in part indicated by a list of the failures of commercial men, for when farmers fail there is no record of it by Dun and Bradstreet; yet they are just as important factors in our material welfare as the traders. No country can long prosper when its agriculture, through neglect or through unwise legislation, is permitted to decay. To-day we may see a condition only paralleled by the dark era which followed the collapse of the United States bank, when money was so scarce as to force a decline of prices which ruined thousands of once prosperous people. The collapse of 1837 can be remembered by some, but its record of ruin is a matter of history.

Our recent history once more illustrates that even the royal bounty of the All-seeing Father, who has blessed the earth with bountiful crops, and stayed the red hand of war, may yet by unwise monetary legislation bring a great people to distress. There is this difference however between this era and any former one during which agriculture has suffered, for now the country is abounding in wealth, and its lavish display is apparent even to the wayfarer. While the State board of agriculture of the so called Garden State of Illinois is collecting evidence showing that the corn crop of that great State has cost the farmers \$10,000,000 more than it will sell for, and the State bureau of statistics is instituting inquiry as to the cause of the appalling decline in farm values in Pennsylvania, the patient, toiling farmer in both States can daily see trains of palace cars, fitted up with every luxury money can secure, flying across his farm, perhaps, or in sight of his fields, and read in his newspaper of this and that magnate traveling in his private car apart from the vulgar crowd. Such a condition might last under Louis XIV of France. It hardly suits this nineteenth century and this Republic.

It is about time that more attention be given to the causes which have led to this anomalous and unhealthy condition of affairs before it is too late. It will not do to charge the decline of agriculture to overproduction. There is no such thing until all the people have enough. The want of prosperity among the farming classes is already affecting many other interests, for they are light consumers of manufactured products whose income barely cover their working expenses. It is not, as some say, owing to our tariff laws, for the distress is even greater in the British islands where so-called free trade prevails. The overproduction theory might find support if we could find any warehouses filled with unneeded grain, and of meat spoiling because not wanted. Such cannot be found. In Great Britain it has so long been a chronic complaint that as long ago as 1879, when discussing a question introduced by Lord Huntly upon the causes of agricultural depression, Lord Beaconsfield, after referring to the two causes named, "bad seasons and the effect of the policy of free trade, adopted forty years before," said:

"There is another and a third cause which is perhaps the most important of them all. Gold is

every day appreciating in value, and as it appreciates in value the lower become prices. This, then, is the third cause. It is not impossible as affairs develop, the country may require that some formal investigation may be made of the causes."

Prophetic words they proved, for the royal commission appointed in 1886 shows it. That commission made its final report in December, 1888. The eminent men who served upon it were engaged in taking evidence during two years, and it fills several very large volumes. Some of it is not very flattering to American pride. The whole body agreed that there had been a great advance in the purchasing power of gold—a great decline in the prices of commodities. (The one fact stated states the other.) One of the members of that commission, Sir Wm. H. Houldsworth, has since then so clearly expressed the views of one-half of the members of the commission, that we will quote from his speech at a great meeting in London:

"It simply grew upon me with irresistible force from the evidence I heard, that there was no question whatever but the evils and difficulties with which trade and agriculture were contending were entirely due to the breaking of the link in 1873 between gold and silver."

The twelve commissioners, while mainly agreeing as to the causes, could not agree in recommending the restoration of silver. Six members appeared to have such concern for the vast foreign credits payable in gold, that they declined to report in favor of silver restoration. England's credits in other lands engaged their solicitude in preference to her suffering industrial interests—and the whole world's, we may add. No consideration did these six give to the gigantic outrage of adding to the burdens of the debtors, public and private, by a policy conceived for that very purpose, by the schemers who secured the legislation demonetizing silver. (See page 4, Report of the United States Silver Commission, 1878.) Their country, on a sole gold basis, and holding their great dependency, India, with its population of 240,000,000, on a silver basis, was prepared to derive great advantage from such a policy.

What interest have Americans in increasing the value of British holdings of foreign bonds? Our act demonetizing silver, viewed as we may, is unparalleled for stupidity and short-sightedness. This is best illustrated by the utterance of one of the witnesses testifying before "the royal commission on silver." Mr. Daniel Matney:

"I do not consider all men to be wise, but think of the folly of the United States, a great debtor nation, adopting the sole gold standard. They knew nothing about currency matters. They did not know that it was going to vastly increase their debt."

It is true that there are men who deny that gold has appreciated. Some even who think themselves qualified to be teachers. They think that gold money is as fixed a measure of value as the yard-stick is of cloth; this, too, when it is so plain a fact as to be generally admitted that gold has vastly increased in its purchasing power. This has brought about the wide-spread derangement in commercial and industrial circles, and the distress in that great basic industry—agriculture. It has deranged the relation between debtors and creditors, to the injury of the debtors. It has impaired the obligation of all pre-existing contracts. It has added vastly to the burdens of tax-payers, while at the same time it has impaired their ability to bear the increased burdens imposed. It has multiplied the number of men ruined in business, and presents conditions which

afford little hopes to them of recovering from their broken fortune. It is rapidly placing the whole country in such a condition that but a slight breeze of alarm is needed to topple the system of credit upon which the whole business of the country is conducted. With all our boasted wealth and creative power, can any intelligent man believe that we could have stood such a shock as befell the French people in the collapse of the Panama Canal scheme? Yet France, with three-fifths the number of our population and vastly less commerce and wealth, and a territory about the size of Texas, has a financial system which provides for the fullest activity of her industrial forces by supplying a volume of money reported as exceeding ours by nearly \$600,000,000. France stands to-day as a beacon-light among the nations, the one where the industrial forces are not dwarfed by withholding that great instrument of production—an abundant and yet stable currency. Silver, paper and gold are at par, and France has withstood a shock which no other nation could have borne without a collapse.

We met our greatest national trial and fought the greatest war of modern times with paper dollars, after "the golden eagle fled to cover like an ignoble dung-hill fowl," as was tersely said recently by a distinguished Senator. Yet there are Americans who lived and amassed fortunes during that great struggle who denounce the undoing of that greatest crime of all the ages, the demonetization of silver, as an inflation? Who ever heard of a French writer denounce silver as only fit for teapots, as a well known American did recently?

Our country needs more money, a much larger volume of currency, and yet no wise citizen would now wish to see any wild issue of paper money. But upon the broad base of our gold and silver money—the latter being restored to its place as a money metal—we could safely employ a volume of paper money that would supply all our needs and restore throughout our borders general prosperity. Hope would take the place of despondency and activity once more abound among all our people. Silver must be restored to free and open mintage. It is right. It is just. The people demand it. Our national interests require it. Then let us have it.

Another View on Silver.

BY GEORGE M. JACKSON, OF WICKLIFFE, KY.

The silver committee is now sending out all over the country petitions to Congress asking the free coinage of silver. Before signing said petitions, would it not be well to ask ourselves if the free coinage of silver would give us any relief. I do not think it would, for it would leave the national banks still to control the circulating medium, and gather in all the fruits of labor through usury—still leave in their hands the power to fix the prices of all products by an expansion or contraction of the currency. It was unfortunate that our convention at St. Louis took any notice of the silver question, for it has led some of our people to believe it possible to get relief from the coinage of silver, when in fact no relief can be had except through our sub-treasury system supplying the money direct to the people at cost. I have changed the petition so as to read as follows:

"We the undersigned citizens of _____, believing that the demonetization of the greenback by putting the exception on its back, and making the bonds payable in coin, by which the money standard of the country was changed from greenback to coin, was an act uncalled for by the people, and

THE NATIONAL ECONOMIST.

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.

Lecturer Ben Terrell's Appointments.
TEXAS.

Fort Worth, Friday, March 7.
Denton, Saturday, March 8.
Gainesville, Monday, March 10.
Sherman, Wednesday, March 12.
Benham, Thursday, March 13.
Paris, Friday, March 14.
Texarkana, Saturday, March 15.

ARKANSAS.

Jonesborough, Craighill county, March 17.
Forest City, St. Francis county, March 19.
Stuttgart, Arkansas county, March 21.
Toledo, Cleveland county, March 22.
Hope, Hempstead county, March 24.
Arkadelphia, Clark county, March 25.
Malvern, Hot Springs county, March 26.
Searcy, White county, March 28.
Batesville, Independence county, March 29.
All district, county, and subordinate officers are earnestly requested to be present, as Brother Terrell, after public speaking, will speak privately to the members of our order. Brother W. S. Morgan will accompany Brother Terrell through the State. The brethren will make the necessary arrangements for speaking, both public and private.

JOHN P. H. RUSSELL,
Pres. F. A. and I. U. of Ark.

KENTUCKY.

Clinton, 1 o'clock, April 2.
Mayfield, 1 o'clock, April 3.
Calvert City, 1 o'clock, April 4.
Princeton, 1 o'clock, April 5.
Morganfield, 1 o'clock, April 7.
Owensborough, 1 o'clock, April 8.
Madisonville, 1 o'clock, April 9.
Hopkinsville, 1 o'clock, April 10.
Russellville, 1 o'clock, April 11.
Bowling Green, April 12.
Lexington, April 14.
Winchester, April 15.
Mount Sterling, April 16.

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PREMIUMS FOR CLUBS.

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

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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.

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.

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CLUBS OF TEN.

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One year's subscription to THE NATIONAL ECONOMIST.

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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.

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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 twin 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 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 in 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 endorsement of the principal officers of the Wheel and Alliance and the Farmers and Laborers Union. The following testimonials are evidence of the high character of the work:

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.

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

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The National Economist

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DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

SINGLE COPY FIVE CENTS

No. 26.

WASHINGTON, D. C., MARCH 15, 1890.

PUBLISHED WEEKLY.

VOL. II.

READERS of THE ECONOMIST have been subjected to delay during the past three weeks in receiving their paper, a condition due to the rapid increase in its circulation and the limited capacity of the press-room. Three new presses have just been added and the quarters enlarged. It is now safe to promise that when the work is up to time, the delay will not occur again. It has been the purpose to mail the paper out in time for every reader to have it at his post-office by day of date, and this will be done as soon as possible.

THE INCONVENIENT MULTITUDE.

Among the many strictures upon the sub-treasury bill none has afforded more satisfaction than the one appearing in the New York Herald of the 12th instant. This source of gratification does not come through friendly criticism, but because of the following unqualified assurance that in making this demand organized labor is acting within well defined statutory limits:

All this will make some readers smile; but, after all, these Alliance people are in earnest. They assert that they have at this time in their membership over a million voters; and they have had sufficient influence to induce Senators Stanford, Cullom and Vance to introduce measures pleasing to them. Nor should it be forgotten that by decisions of the highest court, and by party policies approved by the people and enforced, even this absurd bill of Senator Vance can be justified.

1. When the Supreme Court decided that Congress has power to declare paper money, or anything else, a legal tender at any time.

2. When Congress did accordingly declare 73 cents worth of silver a legal tender dollar.

3. When Congress, during all the period of high protective tariffs, made these laws on the basis that it has a right to take from A, B, C and D and give to E, and help him to carry on a losing business:

4. When the Treasury proposes to buy and warehouse silver, issuing notes against it—these four steps conduct the country by a logical and coherent process down to this lowest deep of State socialism now propounded by the Farmers Alliance.

We do not suppose the present Congress will pay attention to these vagaries. But the American people are sufficiently intelligent to draw logical conclusions, and with corn at ten cents a bushel and wheat below seventy cents, the increasing numbers of the debtor class will not long be content to stop short in the career on which Congress and the Supreme Court have launched the country. You can not go on preaching and enacting State socialism forever in any country, and least of all in the United States, without making an inconvenient multitude of converts, who will reduce the doctrine to practice in their own way.

It is fortunate, indeed, for the order that a great metropolitan journal has so clearly pointed out the legitimacy of this great measure of relief. Those who have here-

ern development. The differences between farmers and manufacturers, when any arose, would be settled by representatives of each agreeing upon just and mutual concessions, and that is the only way to settle such matters. This system of having a third party who belongs to neither make laws for both is not calculated to secure the best results, because he is frequently not competent, and is often influenced by the importunities of one industry when others equally interested apply no such influence. All this tends to produce at times class legislation.

FRIENDS of the sub-treasury plan have been met with the assertion that its practical application would produce the wildest inflation of currency at certain dates each season, and a corresponding contraction at others, which would materially injure business. One of the prime objects of this plan is to increase the volume of currency among the people, and not in the vaults of the banks. That it will do so there need be no doubt, but as to the extent of this increase only an approximate calculation can be made. To assume that all the grain, cotton and tobacco would be warehoused at one time each year is an absurdity. The forced consumption continually taking place would to a large extent prevent such a condition. The average amount of grain held in store during the months of November, December and January was less than 100,000,000 bushels, the cash value of which was not to exceed \$43,000,000. Applying the same rule to the cotton and tobacco product would give about \$75,000,000 additional, or a total of \$118,000,000. Suppose this amount is multiplied by three, which would be far in excess of any probable demand, and it amounts to only \$354,000,000, or less than \$6 per capita. There can be no great danger in this, and if there is, it simply threatens the present conditions, which give to money its “power to oppress.”

NATIONALIZATION OF INDUSTRIES.

In following up the subject treated of in last week's issue, entitled “Evolution of Organization,” no term comes so near expressing the conclusion partially reached as the nationalization of industries. A nation in which the industries of the country were divided into groups numbering, say fifty, and each group having a complete and legal government as the various States now have, except that instead of being geographical divisions of the nation they would be industrial divisions of the nation, and each division would, of course, be national in extent, would be a condition of nationalization of industries without the objectionable and socialistic features advocated by Edward Belknap. The personal freedom of every individual citizen would be preserved, as intended by the founders of this Government, and the organization of an industry would become a legal body, having power to correct evils in that industry, and the industrial House of Congress, being composed of representatives of the different industries, would be competent to regulate the relations between the different divisions. Such a nationalization would be an efficient way to provide for a system of commercial legislation that would meet the indications of mod-

ern society. It seems strange that Western Senators and Congressmen continue to worship at the shrine of Eastern plutocracy and ignore the rapidly increasing demand for independent action on the part of their constituents. Nothing is plainer to the observing individual than the transfer of Western confidence and respect from East to South. Nothing is being demonstrated more clearly than the necessity of a unity of legislative action between the South and West. The folly of bowing the knee to Eastern capitalists is now being learned by the Western farmer. A continuance of the present policy of Western members of the House and Senate will cost them the loyalty of their people and jeopardize their political standing.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 6.

The authority for the issue of "compound-interest notes" was based upon the second section of the act of March 3, 1863, which has been already quoted as authority for the issue of "one and two year notes of 1863." The amount issued under this act was \$17,993,760. The act of June 30, 1864, authorized the issue of \$200,000,000 in Treasury notes of any denomination not less than \$10, payable at any time not exceeding three years from date, and bearing interest not exceeding 7 3-10 per cent, payable in lawful money at maturity, or, at the discretion of the Secretary of the Treasury, semi-annually, these notes to be disposed of on the best terms that could be obtained for lawful money; and such of them as should be made payable, principal and interest, at maturity, to be a legal-tender to the same extent as United States notes for their face value, excluding interest.

The amount issued under this act was \$248,601,680. Of this sum \$177,045,770 was in redemption of 5 per cent notes.

In addition to the authority granted by the act of March 3, 1863, which has been quoted above, still further means were provided by section 5 of the same act, which authorizes the issue of "coin certificates," and is as follows:

Sec. 5. That the Secretary of the Treasury is hereby authorized to receive deposits of gold coin and bullion with the treasurer or any assistant treasurer of the United States, in sums not less than \$20, and to issue certificates therefor in denominations of not less than \$20 each, corresponding with the denominations of the United States notes. The coin and bullion deposited for or representing the certificates of deposit shall be retained in the Treasury for the payment of the same on-demand. And certificates representing coin in the Treasury may be issued in payment of interest on the public debt, which certificates, together with those issued for coin and bullion deposited, shall not at any time exceed twenty per centum beyond the amount of coin and bullion in the Treasury, and the certificates for coin or bullion in the Treasury shall be received at par in payment for duties on imports.

Under this authority coin certificates to the amount of \$981,134,880.46 have been issued, including reissues.

Mr. Sherman introduced the national bank bill in January of this 1863. After a lengthy debate it passed the Senate by a vote of 23 to 21. In the meantime, there had been several bills for the same purpose introduced and referred to committee in the House. When the Senate bill came down, it was not referred as usual, but brought before the House without consideration in committee with other similar bills. It was not discussed in committee of the whole, but under a motion to refer, which cut off amendments, the friends of the bill debated its general merits. When by parliamentary tactics, it was forced to a final vote, it passed under a gag rule of the previous question by a vote of 78 to 64.

Precautions were taken to prevent either a call of the House, or a motion to adjourn. The reader is left to draw his own inferences. The leading provisions of the national bank were aptly described by Mr. Collamer in the following language when debating the bill: "To induce people to take \$300,000,000 of stock on interest, set up these banks, put out their circulation as a national currency, and we guarantee its payment. Wherein is that any better than the paper we have got out now? I will ask the gentleman to put that question to themselves, is it any better? What is it founded on? United States credit, United States stocks. Whom do the bill-holders look to for final redemption? The United States Treasury we say will redeem them; the system has no other foundation; all these fictitious contrivances about the responsibility of the individual stockholders amount to just nothing at all. As to the provision retaining 25 per cent of their circulation, they can put that into their own pockets whenever they please, and there is nobody to question them about it. It is simply and singly founded upon the public responsibility. And, indeed, the honorable Senator from Ohio deems that to be its great feature of excellence. Instead of circulating that amount of our own currency upon our own responsibility and paying nothing, we are to hire them to circulate that amount of our currency, and pay them \$12,000,000 a year in gold for doing it. Yankee, as I am, I am unable to perceive how it is possible that that can be a good trade for us, or how any shrewd man would think of entering into an agreement of that kind."

The old State bank system preferred to draw interest upon its debts, to change the value of money, and by bankruptcy and suspension to avoid ultimate payment. The only evil cured in any sense by the new scheme was the insecurity of the notes. The Government was pledged for their ultimate redemption, and undertook to furnish the money to redeem them with, if the banks did not, and collect from the banks. The thing pledged as security was not coin however, but the Government promises, with a margin of 10 per cent. The Government to give currency to these national bank notes makes them partially money by receiving them for all dues to the Government, except duties on imports, and paying them to its creditors for all dues from the Government, except interest on the public debt. They are practically a legal-tender. How much this is short of allowing corporations to coin money it is difficult to discover; it is, perhaps, lawful and right that the Government should receive whatever it pleases in collecting its revenues. But unjust discrimination should not exist between citizens in a republic, and if the note of one man is received, those of another equally responsible should be taken, otherwise it is class legislation. In 1864, the national bank law was revised and re-enacted, and the transfer from State to national banking set in rapidly. During the year the currency was increased one-third (from \$10 to \$15 per capita) and prices rapidly advanced.

Under this authority coin certificates to the amount of \$981,134,880.46 have been issued, including reissues.

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GEORGIA ALLIANCE SENTIMENT.

President Livingston Talks to a Newspaper Reporter.

The Atlanta Constitution publishes an interview with Hon. L. F. Livingston:

President Livingston unlimbered last night when he was asked about the report that the Alliance would put out a ticket against the Democratic ticket for Congress:

"If there is any such movement among the farmers of Georgia, I am entirely ignorant of it," said he, "and my relations with my people are such that I would know if there was such a movement. There has been a good deal said in Georgia and outside of Georgia about three parties, but it has been confined to individuals and isolated cases. I have seen two or three letters to Mr. Brown (editor of the *Alliance Farmer*) from the Northwest, and I have had but one directly or indirectly on that question. It was from the secretary of the Banks County Alliance, saying some man had proposed

that their people in the ninth district get together and organize a third party. I discouraged it roundly, saying in my reply that the Democratic and Republican parties were well established in the country; their policy was pretty well understood and the mass of citizens would ally themselves with one or the other; that it was well nigh impossible to concentrate between these two parties anything with life and power, and I did not think there was any necessity for getting up a third party, or what has been designated as an Alliance ticket. But I do want to say this, and I will say it publicly or privately: Our people have just interest enough in the politics of this country to inform themselves, and when informed they ought to go to the primaries and cast their votes for those men who will do the best for the whole people—not for any particular class. I don't believe we ought to elect men to the legislature to crush the railroads, or the manufacturing interest, or any other interest. We want men who will represent the whole people, and I think they can be selected through the parties that now exist. When the nominating time comes in the fall, all those gentlemen who stand for re-election, or re-nomination, which means election, they will be asked to tell the public how they stand on those questions that affect us, and if they can not answer correctly I can't pledge my people to vote for them. I shall certainly advise them not to do it."

"On what questions will you ask candidates to commit themselves?"

"First, the sub-treasury plan. I don't want to say that the Alliance people are wedded to that, but something of that kind will be demanded—something that will give an effective currency to handle the business of the country without depressing prices or encouraging corners and monopolies. I am perfectly willing if Congress thinks some other plan to increase the currency will be better—provided the people control it. But I am decidedly in favor of the sub-treasury plan, and shall be until something better is presented. I am going to canvass the State on it, and when I get through, I think I can say, our people will not vote for any man who will not favor it—I mean in the nominations. In other words, they will give their preference to a man who favors that plan, or something like it. If Mr. Blount, for instance, should say he favored the principle, but could give us a better bill, we would say, all right, go ahead. We believe, whether

we are right or wrong—but the Alliance stands ready to change when convinced of an error—we believe the present currency system is the nursery of all these corners, trusts and combines. We believe it would be impossible to put up a corner in cotton, wheat, or anything, if the sub-treasury system, as we present it to Congress, were adopted. We think so for the simple reason that we put the producer in such a position that his products are not forced on the market, or he made to sell his produce at a given day. The producer gets twelve months to sell. The sub-treasury plan proposes, briefly, that the Government take the farmers staple crops into its warehouses and issue him negotiable certificates to 80 per cent of the value of his products. With no charges but the bare expense of storage and insurance the crop is kept there a year. In that time the farmer sells it month by month, simply letting the supply keep up with the demand. This will regulate prices and prevent corners. It will break up all this speculation which is encouraged by the present system.

"In the fall and winter, when the farmer has to sell, money is scarce and corn and wheat are low. In the spring and summer, when he has to buy, money is cheap, and that makes provisions high. The present currency of inflexible volume forces the farmer to sell cheap and buy at high prices. By the sub-treasury plan the currency would be expanded as the crop comes in, and retired as the crop is marketed. Thus, there would be in all the seasons just such a volume of currency as the business demands, with no surplus to encourage speculation. Another thing. The price would be fixed month by month in just accordance with supply and demand. Cotton statistics are at best an approximation. The estimates may miss several hundred thousand bales, and a hundred thousand in the supply may make a difference of a cent in the price of cotton. When the crop is marketed or stored the actual number of bales will be known and the price will become steady. I believe a plan of this kind will relieve the farmer a thousand times more than a reformation of the tariff or any other thing of that kind. Believing that with our whole soul, our people will say to Mr. Clements, or Mr. Stewart, or Mr. anybody else, will you vote for such a currency as we ask? The present system makes the money kings over financial masters. This will make the Government our ruler in money matters. Jay Gould has no interest in my physical or moral well-being. He does not care whether my children are educated or grow up to be heathens. But the Government wants me strong of body so I can fight for it if necessary, and wants me moral and intelligent so that I will be a useful and a burden-bearing citizen, able to pay my part of the tax. Some may say the farmer is asking too much, but he is only asking what the Government gives to the whisky men. They get more. Whisky is worth \$3 a gallon the minute it is put in a bonded warehouse, because the age gives it value by anticipation. That whisky was only worth 50 cents a gallon before. The farmer is only asking an extension of the favor already granted to the national banks. They deposit bonds in vaults, which stand in place of bonded warehouses, and they get 90 per cent of the face value at 1 per cent per annum, meantime collecting interest on the bonds and paying nothing for storage, tax or insurance. We only ask the Government to advance 80 per cent of the value of products, and we pay the storage and insur-

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THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Southern Alliance Farmer (Atlanta, Ga.) notes that the Georgia Exchange has arranged to supply cotton bagging:

We hope the brethren throughout the State will send in their orders to the Exchange at once, for it is necessary that the Exchange should know at once just how much to place contract for. We want to notify the order and the mills also that Bro. Peck will not have any foolishness in this matter. If the Georgia mills will not agree to go to work at once and make the bagging, there are other mills that will. By all means brethren send in to the Exchange at once the amount of bagging you will want so they can be prepared to do the business for you. One of the main troubles under which you labored last season was from the fact that you were slow about placing your orders. Don't let that be the case now, for it is decided that your own business head the Georgia State Exchange shall supply the bagging, and it is your duty to do your part at once so the Exchange will be ready with the goods. The farmers of Georgia do not want to use any more worthless substitutes, but want the best standard cotton bagging. That is what the Exchange proposes to handle, and that alone. You may depend upon it that the mills will have to do the square thing when they deal with your Exchange.

The same paper pays a deserved tribute to a splendid officer of the order:

Nothing contributes more to the success of the Alliance movement than good and efficient officers, and the State Alliance of Georgia is to be congratulated upon having a president fully equal to any emergency. He has demonstrated a high order of executive ability. He never hesitates to shoulder all the responsibility necessary to do what ought to be done for the order, even if it is a sacrifice of his feelings and himself. He has plenty of backbone, plenty of ability, and is devoted to the cause to a degree that makes his duty his supreme law. He is doing a great work for his supreme law. He is doing a great work for the order in this State and it will be appreciated. He stands squarely upon the Alliance platform, both national and State, and the Alliances will support him in his efforts in their behalf.

The Sioux Falls (S. Dakota) Journal comments on Senator Farwell's proposition ament the use of State and city bonds as collateral for the issue of national bank notes:

The proposition he has made is to accept State, county and municipal bonds instead of the bonds of the United States on deposit as security for national bank currency. As most all the present outstanding bonds of the United States draw only 3½ per cent interest, while State, county and municipal bonds draw from 5 to 6 per cent, this gallant movement on the part of the Illinois Senator will be a fat thing for the national banks. It will net them the difference between the interest on United States bonds and State, county and municipal bonds in the event the bill succeeds, and unless the people, through their organizations, commence at once and make a fight against this infernal proposition they can prepare themselves for paying the national banks several millions of dollars annually in interest more than they now do. Laboring men and farmers should flood the halls of Congress with petitions and resolutions impetuously remonstrating against the passage of the bill, and raise a thunderstorm of indignant action that will shake the country from center to circumference if their demands are not acceded to.

The Arkansas Economist (Searcy, Ark.) Not very far out of the way:

All of our readers interested in the Exchange, and every farmer should be, will do well to read the articles in this issue from Brothers Quayle and Morgan. We must push this work or quit. One of the main causes of all our failures is the fact that we don't all pull at once and together. The effort should be simultaneous and unanimous, and now is the time to work. If some counties have spent their effort in vain before others begin, nothing will be accomplished. Let every county right now "shoot or give up the gun."

The Kansas Globe says:

The Kansas farmers now demand that when the legislature is called together, if it is called, that a law be passed reducing the rate of interest. The maximum rate was reduced at the last session to 10 per cent, but the penalty prescribed for the violation of the law, does not seem to be sufficient to keep loaners within bounds.

The Journal of the Knights of Labor (Philadelphia) is sound on money:

If any outside person could see the intelligence and sound sense of a majority of the farmers of this country in our county meetings they would say the Farmers and Laborers Union has done something for our people. Men who could not a year ago rise to their feet and address a presiding officer can now say what they want in a neat and precise manner.

The Kansas Farmer (Topeka, Kan.) gives good advice:

We are asked by the Kansas Commoner to suggest a way of securing the election of Congressmen who will fairly represent the common interests of the people. Our views on that subject have been published many times. They are briefly: That the people first agree as nearly as possible on the general line of policy to be pursued, to agree positively and affirmatively on such special matters as are particularly important and then make those things issues in every election

campaign for officers from the ground up. Let every candidate for any important office be brought in to live or elected to stay at home. Pledge Congressional candidates publicly in print and on the platform. The time is come for action. We want to know who are with us, and it is always safe to write against as those who are not openly and actively with us. Let us make the air alive with the new gospel.

Labor Review (Gladbrook, Iowa). True, every word:

The bankers took possession of the Government in 1866, and straightway began a contraction of the circulating medium. They got up a corner on the money of the country, and put up the price until industries were unprofitable. Then to interact the effects of the scarcity of money those industries having sufficient capital organized trusts to protect themselves against the depression of industries. Their organizing as a matter of self-defense, compels others to do the same. It has now become a matter of self-preservation to organize, so we see not only the capitalists organizing, but the laborers as well, and lastly the farmers to keep from being driven to the wall have got to organize too. With them it is not by any means a matter of choice, it is a matter of self-preservation. The trusts being located in the towns, can readily meet and adjust matters, but the farmers being isolated can meet only with inconvenience. The trusts, by keeping the price of their products up, and the railroads, by keeping freights up, make the hardships fall with four-fold severity on the farmers, and they being unorganized are not in a position to resist, but are compelled to pay what is asked, and to sell for what is offered. The farmers, as a rule, are not apt to study financial matters. They understand the effect of a corner on wheat which lasts only until enough wheat comes in to break the corner; but a corner on money affects every industry disastrously, reduces the prices of products to zero, deprives the laborers of employment and continues until money becomes plenty.

Let us make the calling of the farmer more re-inflatable. The Campbell County Record (Rustburg, Va.) says:

Farmers in this section are subjected to special discouragements. Obtainable labor is unreliable, and farmers' sons daily witness greater success in other pursuits. They become disgusted with the farm and quit it for some more promising vocation.

Out in Kansas there is not always smooth sailing. The Washington (Kan.) Republican tells of a kind of small opposition:

The Jackson Patriot (Vernon, La.) says:

The farmers, as an organization, have every reason to be hopeful. Not only have they been profited financially, but mentally—they have come to be educated upon great public questions and understand better the issues that affect their interest. While they have been successful so far even beyond their most sanguine expectation; there is a prospect of still greater success before them. They should cling closer to the principles of the order and guard its interests with a zealous care, and lose none of the foothold they have gained.

The Arkansas Economist (Searcy, Ark.) Not very far out of the way:

All of our readers interested in the Exchange, and every farmer should be, will do well to read the articles in this issue from Brothers Quayle and Morgan. We must push this work or quit. One of the main causes of all our failures is the fact that we don't all pull at once and together. The effort should be simultaneous and unanimous, and now is the time to work. If some counties have spent their effort in vain before others begin, nothing will be accomplished. Let every county right now "shoot or give up the gun."

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The Journal of the Knights of Labor (Philadelphia) is sound on money:

If it were proposed to allow any private corporation the privilege of issuing gold and silver money there would be an outcry all through the country. The innovation would be denounced in the strongest terms as something altogether unprecedented and entirely contrary to sound public policy. The greatest sticklers for individualism would protest against it as an usurpation by private persons of a function which from time immemorial has by common consent been relegated to the Government. History would be ransacked to prove that the coining of money has always been

regarded as specially within the sphere of the Government's duties, and that at no time has any Government permitted private individuals to infringe upon so important a department of its functions. And yet, because paper has gradually taken the place of coin as a circulating medium, it appears quite natural and reasonable to the unthinking that banking corporations should control the great volume of the currency and make enormous profits thereby. The same people who would not hear of allowing a bank to issue gold coin will argue that it is perfectly right and in accord with sound public policy that the much more extensive and important paper currency shall be handed over to the bankers. It is surely a proof of how little reason and sound common sense influence popular ideas on such subjects that this distinction should be drawn. If the banks are permitted to issue paper money, which forms the great bulk of the circulating medium, there is no reason why they should not also coin gold and silver and take over the whole financial system of the country. Paper currency is money just as much as coin is, and it is only custom and the justice of the cause for which you are laboring.

The Southern Messenger (Buchanan, Ga.):

Can't the farmers legislate themselves into prosperity as other classes have done? Certainly, if they will only elect men to whom they can intrust their interests.

The Kansas (Topeka) Farmer says:

We are asked to express our opinion concerning the merits of the grain depository plan—the warehouse system suggested by the National Alliance. The underlying principle is right, and the plan is perfectly feasible when we get to it. The same thing in a modified form is proposed in "The Way Out." This plan and that proposed in "The Way Out" can be readily wrought into one which will be more perfect than either as at first presented. In the pamphlet edition of "The Way Out" this will be shown clearly. The Knights of Labor or John Davis' plan, also, is built on a correct principle. It is a very short and comprehensive way of affording relief for which "The Way Out" provides more in harmony with existing methods. These three plans can all be considered together, and one plan made up from the three. They are all looking in the same direction, and that is what the people must do.

The Union Bee (Humansville, Mo.) says:

Congress has time to listen to the demands of the soldier, the Indian, the negro, the bondholder, the national banker and manufacturer, but the farmers and laborers, who support them all, must look out for themselves.

The Alliance Sentinel (Lansing, Mich.):

The talk about measuring the industries by a metal money is nonsense. With a growing population, how can you justly do it with a decreasing supply of the metal? In 1879 the total product of the gold and silver mines amounted to \$79,771,900, while ten years later, 1889, it was only \$60,059,456.

The Stephensville, (Tex.) Headlight. Guess this is true:

The farmers want better prices for their products worse than they do good roads to haul said products to market. That's what they need at any rate. Better prices for produce will bring better roads and better everything else. More money will accomplish this.

The Arkansas (Searcy) Economist. This is a good idea:

Inasmuch as we believe the financial to be the greatest question before the people, and as the sub-treasury plan is the theory and policy of our national organization on the problem, we will keep the plan standing in our columns for several weeks. It must be carefully read to be thoroughly understood and appreciated. The more carefully it is studied, the more forcibly it will be impressed. As a matter of fact it will be opposed by the national bank interests, as it saps the foundation upon which they are erected. It makes the products of the nation the basis of its currency, and removes the control of the circulating medium from the barons of Wall street. A careful investigation will disclose the fact that its adoption would remove more disabilities and confer more benefits than any measure yet proposed.

The Washington (Kan.) Republican. This is good sound logic, and should be read carefully by every farmer:

The volume of currency has not kept pace with the increase of population, and nearly all thinking men agree that it is entirely inadequate to the demands of trade—the legitimate transaction of the vast business of the country. Let the currency be increased, and as rapidly too as it can safely be done. We believe that an increase of 25 per cent would be the means of advancing the price of corn 50 per cent. Even then corn would be below its real worth. While an inflation of the currency

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for mercy for themselves and their families. And this morning, as I sit alone and write you these lines, and remember the simple childlike faith of my mother, and the strong and abiding faith of my father, in Him of whom it is said, "He doeth all things well," and thinking as I am of the wrongs of my fellow man, of God's humble poor, I can not but also remember that He has said, "Vengeance is mine, I will repay!" If, when the time shall come for me to pass over the river, my family and friends shall be able to put up an humble slab to mark the spot where I am laid, and can truthfully write upon it: "He did the best he could, my ambition will be gratified. Let the oppressed go free."

The Atlanta (Kan.) Herald says:

The reduction of the rates on corn is another of the good results of the united efforts of the farmers. The Government understands that when those who furnish us with bread and butter speak, they must be heard. We may expect many such measures of relief in the bright future.

Labor's Tribune (Carthage, Mo.); correct again:

The best protection merchants and business men can have as a creditor class is to recognize the important fact that unless the men and women who produce the wealth of the land can have a chance for their lives, and work with them to the end that they may be lifted above the meager incomes that go to them as their share in the distribution of the fruits of toil, they, too—the creditor class, will go down in the wreck and ruin.

The Ottumwa (Iowa) World asks:

Germany owns and operates all her own railroads and telegraphs. France owns and operates her telegraphs, and in a few years all railroads will revert to the government free of charge, for the privileges they have enjoyed in "The Way Out." This plan and that proposed in "The Way Out" can be readily wrought into one which will be more perfect than either as at first presented. In the pamphlet edition of "The Way Out" this will be shown clearly. The Knights of Labor or John Davis' plan, also, is built on a correct principle. It is a very short and comprehensive way of affording relief for which "The Way Out" provides more in harmony with existing methods. These three plans can all be considered together, and one plan made up from the three. They are all looking in the same direction, and that is what the people must do.

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

There is a gathering of Alliance men, and they are ready and willing to work for themselves. There will be a general move on the enemy's works in every part of the State, and long before another election every county will be organized.

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There is to be a convention of officers of the militia of all the States in the Union at Washington shortly, in which another step is to be taken to subvert our remaining liberties by handing the entire control, through legislation to be proposed, to the general Government, the purpose obviously being to utilize all the military force of every State (heretofore controlled by the State authorities) for the suppression of labor movements of any kind whenever they become formidable to the monopolies and trusts.

The Jeffersonian (Topeka, Kan.)—more truth than anything else in this:

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The Rock Islander (Rock Island, Ill.), always correct:

When the masses of labor come to understand the value of an economic education, we will hear no more wrangles about the relative value of parties and candidates. Officers-elect, no matter who they are, will know what will be expected of them. The great work of the hour in which intelligent labor should engage is to educate the public mind on economic questions, point out the errors of the present system, and unite with all who are willing to substitute a better. Labor must appeal to the virtue and intelligence of the people and not to their vices and their ignorance.

The Kansas (Kan.) Herald says:

American Nonconformist (Kan.) says of Vice-President B. H. Clover:

From a private letter written a short time back by Mr. Clover, the following extract is characteristic of the man. Speaking individually he said: "My history is that of thousands, ay millions, with its sunshine and the shadows, the shadows largely predominating. My name adds one to the long list of those who are begging and pleading with the monster tyrant, the money power,

Marion County Farmers Alliance (Buena Vista, Ga.)—This is the kind of talk:

We present to our readers this week a copy of a bill to establish sub-treasuries in each of the counties in each of the States of these United States. Read the provisions of the bill carefully and decide for yourselves whether the same is unconstitutional—but is it right? We ask the privilege of signing first when the petition is gotten up from this county to the Secretary of the Treasury requesting the location of a sub-treasury in the county of Marion.

Martha's Bulletin (Marthaville, La.) gives the following important notice to farmers:

It is said that the grip microscope clings tenaciously to paper money. People should, therefore, handle it with the greatest caution, particularly \$1,000 bills.

Mutual Aid (Newark, N. J.) concludes that:

The producing toiler to-day does not get full wages because he is forced to meet certain extortions out of the result of his labor.

The Iowa Tribune (Des Moines) finds something to criticize in a contemporary:

When Pharaoh stacked up seven big corn crops in Egypt, under advice of Joseph, because it wasn't needed then, he should have subscribed for the Iowa State Register to see what a fool he made of himself, and then set fire to the storehouses, so the next crop would sell well.

Western Recorder (Louisville, Ky.) Quite right:

It is estimated that within the past eighteen months more than \$200,000,000 of British money has been invested in this country; and more is coming every day. England may own this country yet.

Mills Weekly World (Aldamont, Kan.) says:

With the proper amount of money per capita in circulation there would be no necessity of farmers borrowing money, and that is just the reason the money lender don't let the money be made.

Peoples Signal (Marlin, Tex.) this is exactly the kind of goods Brother Tracy keeps on hand:

Mr. Harry Tracy delivered a very able lecture at the court-house last Wednesday afternoon. We regret to say that the most of his audience was composed of men who had come from ten to fourteen miles to hear him. This does not speak well for our citizens. He is an able speaker, and there are none who would not have been enlightened by giving him an attentive hearing. He discussed the labor problem in all its bearings, and made a lasting impression on all who heard him. He is

Be Sociable, Marcus! Be Sociable!
BY HARRY HINTON.

Why this silence? Where are the champions of the great? Hath the pen of the mighty Goliaths which is said to be mightier than the sword been altogether broken? No sound is heard all along the line while the onward tide of a mighty though peaceful revolution rolls on. Near 3,000,000 of voters have filed their bill of grievances against the existing order of things in this Government, and like the Alpine avalanche still increases in power and momentum as it advances. Battalions, companies, brigades and armies are being organized with banners afloat in the sunlight of day and thereon inscribed a code of principles which will correct the present evils in our social and political practice, and greatly affect the pecuniary interests and ambitions of thousands; yet no sound of protest, no fine-spun rhetoric, no weaving of words to make the worse appear the better reason appears among the opposition. This is ominous; this is portentous; this is significant. Dared those who oppose any principle or policy advocated by this labor movement take up the pen in opposition, thousands of ready writers would have flooded the country with their literature long ago. The hireling press can not successfully combat the truth and justice of our cause, and the partisans and partisan press want our votes. This is the cause of so much silence. Better to remain in ambush than to hazard an open field fight. Better to watch the movements of the enemy, and hope by some false move or mistake he will be his own undoing. Besides, we have a more potent weapon in the pristine jugglery of the old parties. We will not desert the vantage ground we already have for new scenes of adventure. In this they are wise. Each party has helped its friends in financial matters so as to make them more able and willing to contribute to the campaign boodle. With the spoils and pickings from the public crib they will be able to set in a blaze every political sheet burning with party zeal and lying argumentation. They will not hesitate to stoop to means however demoralizing to accomplish their desired purposes. In this they are educated, and they have no higher aspirations and they know no better. We command some exceptions.

Now is the day of salvation; now is the accepted time. If you will hear our voice to-day harden not your heart. Are you in favor of this farmers movement or not? Let every periodical in the United States answer yes or no. Silence will not commend you; equivocation will condemn you. Yes or no? Which had you rather be, the capitalists cat and cry mew, or the freeman's voice bellowing Hail Columbia? We want your power; we want the power of your pen in furthering the grand principles of the impending revolution. However, let no man deceive you. This work will go on all the same. It is destiny; it is providence. This nation will not become as rotten as she is rich. She is the last and best hope of the world. If she fails; if this star of the oppressed shoot madly from its sphere and dart in the black abyss of lost empires, where will the downtrodden look for freedom? The march of empire reached its farthest bound when it touched the Pacific. On this soil is to be unraveled the problem of ages. Shall one part of mankind be the serfs and slaves of the other part forever? This is the problem. Here it must be worked out, and the farmers movement points out a peaceable way. Will you join the band in procuring this desired result, or will you join the trusts, the capital-

ists in their financial scheming, the land-grabbers and the speculators? Say yes or no. Choose you to-day whom you will serve. The fires that lit the funeral pile of British oppression are not dead. From their embers will arise a blaze which will burn up and consume all tyranny however guilelessly hidden beneath the cloak of the law. The men are ready. Behold, they stand at the door. Men of brawn and brain. Men who know their rights. There is no use in talking any more. The die is cast. It is destiny; it is providence. Our beloved land shall ever be the home of the free and the brave. Moneyed oppression shall cease. The levying of tribute by the trusts shall vanish. The lands shall ensue to the toilers thereon. The workman shall own a share in the factories. Every man shall pay taxes in proportion to his ability. The man of wealth shall enjoy it. There shall be justice and peace.

Have you ever traveled over the paths of history and noted how the lines converge on this nation as the grand climacteric of all history? On this soil must be settled all the political problems which have vexed other people; from this nation must be shed the light of liberty, of truth, of true Christianity to the limits of the world. This is a heavy responsibility, but it is required of us by Jehovah himself, as far as I can discern from all history and our own; and I tremble to think of the woes which will befall this people if they fall short of this responsibility. How can we meet these obligations with one substance annually drawn from us by secret contrivances and partial legislation? We can not do it. We must right these wrongs which doubles our burden and thus become able to discharge our duty. Those who are great can not do it. No original reform ever emanates from the world's fortunate. This moneyed oppression is the crucial test of our capabilities. Gored by want, we have discovered the cause. Having discovered one cause of complaint by necessity, we will cast about in correcting that and correct others. So revolutions work.

Be sociable, Marcus, be sociable. Talk. Converse. Let us hear thy voice again. Write. The political press is silent. The rich are silent. Surprised? Ah! Confused and disgusted, eh? Or are simply waiting to grasp the theme and to take in the whole field of the work, and then you will help. If so, you are welcome. We have a use for you. You can do great good. You will be an honorable and potential factor. America expects every man to do his duty. The hosts are gathering. From the East, West, North and South they come, armed with the ballot, more powerful than the weapons of war. Stand up, Americans, stand up. The experience of past ages, with their rotten, corrupt and dying nations, bid you stand. The down-trodden and oppressed the world over, bearing the burdens of a corrupt aristocracy of a false commercial system and of tyrannical governments, bid you stand. The responsibility of this people to shed abroad the light of liberty, honesty and Christianity bids you stand. Lift up your heads. Shake off the shackles of partisan zeal. Put on the armor of a complete knowledge of the situation. Stand all; stand together, and the victory will be ours.

Who is not proud of his country? Who does not love America? Who will stand idly by and let his country become oppressed as the aristocratic countries of Europe? If such there be, let him be anathema maranatha. The resplendent glories of our future break upon my vision with every man honestly

reaping the reward of his toil. All in one brotherhood working for the advancement of our country, the rights of one another, and the dissemination of wholesome truths to foreign climes. Lift up your heads, oh ye natives of the earth, for the day of your redemption draweth near. America, standing forth as an exemplar in the spotless garments of honesty, freedom and Christian virtue, will shake the aristocratical rulers of the nations simply by the potency and magic of her name. The die is cast. America will be redeemed. It is destiny. God wills it. Stand fast, my brother farmer, to your duty. The stone which the builders of nations have always rejected will become the chief stone of the corner.

"In God We Trust."
BY MERLINDA SISINS.

This motto is inscribed on some of our coin, but should an intelligent foreigner come here and examine the financial class legislation, dishonestly obtained from the Congress of a free people, and also witness the insatiable greed of the few it has enriched, at the expense of the many it has pauperized, he would say: it would not be out of place to insert the letter *I* in the second word of the above motto. Indeed, this heartless and relentless greed of the money power and other monopolists at the expense of the very life-blood of the famishing toilers, is without a parallel in the annals of history. Here is an illustration of how plutocracy wrings its millions from crushed humanity. Extract from a letter written by a sewing woman employed by a "big manufacturing company" to her sister: "I am dying of destitution; my children are starving; husband dead; ceaseless toil that takes all my strength, and that for a mere sustenance of life. It has blighted every hope of the future. Oh, sister! Is God dead? Has humanity left the earth? Why am I kept alive with my joy blotted out? Why the sinless ones doomed to this lingering death? But for them I would kill myself."

This is but a sample of millions of others unheard of and unknown. Let us draw the veil. As it is with the wage-worker, so it is with the farmer; all are under this ban of oppression, one of the chief evils of which is the contraction of currency, the robbery of transportation lines, national banks and boards of trade. When there was \$50 per capita in circulation over twenty years ago, a farmer could sell 50 bushels of wheat and pay with the proceeds:

Taxes.....	\$20 00
For 3 tons of coal.....	15 00
For 1 suit of clothes.....	20 00
Clothes for the family.....	30 00
Sub. for newspaper.....	2 50
Magazine for wife.....	3 00
Shoes for baby.....	1 50
Have left.....	8 00
 \$100 00	

Now with less than \$9 per capita in circulation, it will pay:

Taxes.....	\$20 00
For 1 ton of coal.....	6 00
For 1 suit of clothes.....	8 00
And have left.....	5 00

\$34 50

With taxes no lower, he wears a cheap suit of cotton clothes, while no clothes or newspapers are got for the family, and the baby goes barefoot.

Above are the two conditions of millions of laborers and farmers, while the wealthy schemers, for self and power, ride down the cringing masses with the iron-shod hoofs of their flying chargers. These conditions de-

mand immediate redress. It can not be done by changing one of the old parties for the other. The money power has them both by the throat. The only remedy is to form a new party, or compel the old parties to nominate true and faithful wealth-producers to make the laws. Consider well which way is the best. No, God is not dead! This tidal wave movement to rescue fallen humanity from the vortex of white slavery, is electrified by the infusion of the very presence of God. Its whole motive power is the very quintessence of Christianity. "God will to men." Be not discouraged though your children are crying for bread. The same God who was with your fathers in 1776, is with you now. Heartless monarchy went down then by virtue of dry gunpowder and faith in God; so heartless and cruel monopoly must bite the dust, not by virtue of bullets, we hope, but of ballots held in calloused hands.

As an old woman who has raised a family of sixteen children, who have had to go out upon this ice-bound sea of greed and oppression, where men must steal or starve, and women must sell their souls for bread, I protest. Indeed, there have been dark hours, but "the darkest cloud has a silver lining." Be hopeful; be vigilant. "God helps those that help themselves." Educate, through organization—the only way. Subscribe for industrial papers. All producers must fall into line, not one must falter. Awake, unite, consolidate and vote together for God and humanity.

Tread Light Over the Hallowed Dirt—Here Sleep The Brave.

BY H. W. HICKMAN, OF PUXICO, MO.

During the war, when the army of Tennessee was falling back before Sherman in Georgia, at the battle of Jonesborough, below Atlanta, the loss on the Confederate side was very great. Our dead, for I was one of those Confederates, was brought together and interred in a long row, the dirt thrown over them. They were not well covered. Some of their arms were sticking out; some feet could be seen. The unthoughtful soldiers made a path over their dead comrades. Some one more humane than others drove a stake just at the edge of the graves of the dead comrades, with this inscription: "Tread light over the hallowed dirt. Here sleep the brave." This circumstance made a lasting impression on my mind. I have seen for twenty-odd years that the bosses of the political parties have been making their path across the soldiers who spent the best part of their lives in the defense of their country. Many of them on both sides sleep in unknown graves. Yet the war has been the cry by the politicians for twenty long and weary years. They have succeeded in keeping up the sectional strife, and using this as a stepping-stone to ride into office, and have been very successful. But at the St. Louis convention of farmers and mechanics, on the 3d to 7th days of December last, I think the stake was driven, and the inscription was placed on that stake, so plain that it will not be easy to tear down. In that noble body of farmers and mechanics were the two elements that had met on hundreds of battle-fields. They together drove that stake, and said, we are one band of toilers; we know no North, no South, no East, no West, but are brother toilers, linked together for our own interest. We will no longer be used for political purposes. That noble band of toilers made a history that will tell on future generations. It will show one truth; that the farmers and mechanics know their rights

and dare to maintain them, and that our interest shall no longer suffer by the political demagogues of this century. If I were asked who were the leaders in that convention of toilers I would answer the Federal and Confederate soldiers who had met on many hard contested battle-fields; had measured arms time and again. Federal and Confederate generals; Federal and Confederate colonels, majors, captains, and privates on both sides, bound together by ties of personal interest, to protect our interest from the power of money to oppress. The decree has gone forth that this country of right belongs to the toiling millions. The question is, will we stand by the principles and demands as adopted by the St. Louis convention of farmers and mechanics? If so, we are on the highway to success. Whenever we are as willing to follow our leaders as we have been to follow our political leaders, we will be safe, as has been declared by the convention at Springfield on the 24th day of August, and further adopted and confirmed at the St. Louis convention of F. A. and I. U. of America. Brothers, let us all pull together, and then it is the political leaders will need to "tread light" over us. No longer, then, will we be used as tools for our political bosses to ride into office.

Farmers on the Lookout.

The Alliance movement has set farmers to thinking of and watching the actions of our representatives at Washington, to see how the \$648,000,000 that was in the treasury on November 1 last will be appropriated. We have noticed a bill introduced to build a navy, appropriating nearly \$300,000,000. This at a time when congresses are called to settle the differences of nations. Invention and science are marching onward with such gigantic strides that ere the last vessel of the navy will be built the present enginery of death would be of little use compared with the improvements that will follow. But why this large appropriation for war? Various reasons have been given in answer, but the one that seems to affect the people most is that this vast amount of enginery for death is being prepared for the struggle of capital against labor. The history of the past has shown us that great agitations among the people for reform have ended in war. War, that demon that hungers and thirsts for blood, and whose appetite is never satisfied. A bill that calls for hundreds of millions of dollars for death, and not one million to bore wells in the Dakotas to get water that would bring prosperity and happiness to one million of her citizens, who have, in the past ten years, contributed over twenty millions now in the treasury of the United States. It may be objected to on account that such legislation was for a special locality. We have precedents that may overcome that. How many millions have been spent on the banks of the Mississippi, and justly, to keep the country from being overflowed? Surely, our Southern brethren will not object to giving us that which we so much need, and for which in times past we have contributed so much to protect them from. Representatives of the Dakotas, ask for a million; we need it. 'Twill be little enough to supply our wants. If the Eastern representatives vote us aye, we won't need any more of their old clothes.

DAKOTA.

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To Force the Truth.

BY J. B. GAY, OF COLUMBUS, TEXAS.

We can only force the truth by giving the disinterested public every side of a question bearing upon their interest, and as they are

generally posted on things that always have been, it is a duty to ourselves that we try to keep each other posted as to the world of advance thought and coming events. No man should object to hearing the other side, for the contestants will force their consideration for a division interest, and the better posted we are the less liable to be persuaded into an opposition camp. A friend of mine at a public speaking asked me if I was not carried away. I told him I was in a position to think before I had heard his speaker. I had read the other side. My object in writing this article is to suggest a plan by which information may be disseminated subserving the best interest of the country. This is the only way out of the wilderness. The best thinking men of a vicinity virtually control it. Now how can we do this? By establishing a national board of directors on the education of the masses. Let those assess a tax, like the charitable fund, upon each member. Let executive, State and county committees be appointed, and have this sum disbursed pro rata, and have such literature as the board direct procured and sent to leading men in each vicinity until all similarly interested are supplied with it. It would in a very short time have wonderful and marked results. It will come in time it is true, but systemized and forced it will sooner be realized, and is the need of the hour. The truth can take care of itself, but give it artificial force and it becomes at once of practical value. Some would object to the assessment, but I believe we have enough patriots in the ranks realizing the condition of the country to contribute a sum sufficient to be felt everlasting in the future.

JOHN STUART MILL says: "The distinction of production and unproductive is applicable to consumption as well as to Labor. All the members of the community are not laborers, but all are consumers, and consume either unproductively or productively. Whoever contributes nothing directly or indirectly to production, is an unproductive consumer. The only productive consumers are productive laborers; the labor of direction being of course included, as well as that of execution. But the consumption even of productive laborers is not all of it productive consumption. There is unproductive consumption by productive consumers."

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

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THE NATIONAL ECONOMIST.

The National Economist

OFFICIAL ORGAN OF THE NATIONAL FARMERS

ALLIANCE AND INDUSTRIAL UNION.

PUBLISHED WEEKLY AT WASHINGTON, D. C.

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

We, the "NATIONAL ECONOMIST," our adopted official National organ, has so boldly and fearlessly advocated our cause and defended our principles; therefore,

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

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

HARRY TRACY's great lecture, delivered in Texas and published in THE NATIONAL ECONOMIST of February 1, 1890, is now offered the public in pamphlet form, as follows: 10 copies, 25 cents; 50 copies, \$1.00; 100 copies, \$1.75; 1,000 copies, \$15.00. Delivered to any address postpaid.

THE INCIDENT, OR THE OBJECT?

The strongest argument in favor of the sub-treasury plan is the flexibility of the currency with which its adoption will supply the people. In this respect it differs from all other proposed methods. It is an accepted rule of finance that, so long as the currency of a country remains the incident or instrument of exchange it is a blessing to the people, but just as soon as it becomes the object of exchange it turns into a curse. The reason for this is plain. While it is the instrument its only function is to aid and assist in the exchange of the products of labor, but when it becomes the object the exchange of products is no longer considered, and the purchase and sale of money takes its place. In both instances the products of labor buy the money, but with this difference: The first is for the purpose of exchanging one product for another with the expectation of loss or gain, depending upon the values of the products themselves. The second is the purchase of money with the anticipated profit resting entirely in the increased value of the money so obtained. Money can only become the object of exchange when the quantity is fixed or inflex-

ible, because under such conditions alone can it be made subject to the dictation of supply and demand. With an arbitrary supply of currency all economists admit that the level price of products is absolutely fixed. It follows, therefore, that in cases of excessive production, or an extra demand made upon currency for purposes of exchange, this extra service is always rendered at the expense of production. At this point the "power of money to oppress" is usually first discovered. With a flexible volume of currency that increases in amount as the demand for its services increase, this extra service is not required and therefore can levy no tribute upon labor. A fixed volume of currency will, if abundant, increase the price of commodities over that of a less or decreasing volume, but as production or exchanges increase such prices will continue to lower, and in the end the same difficulties attending an inadequate or shrinking volume will be encountered. This has proved true in every case, and all writers agree as to the correctness of the proposition. An amount of currency based on a per capita is but little better, and that little comes from its flexibility through increase in population. If the above reasoning is correct, some other method must be adopted to furnish the people with currency than an inflexible volume or a per capita amount, because either plan can be manipulated in such a manner as to become oppressive to those compelled to make use of its services. The true remedy seems to lie in a volume of currency that is not expensive, and will increase when its services are required and decrease when such services have been rendered. It should be ready to assist at all times when wanted, and out of the way, making neither trouble nor expense, when not in use. Currency is but a tool of exchange, and when more work is to be done more tools are needed. This extra supply should be constantly on hand and easily obtained, for the reason if the number is limited their possessors might demand excessive tribute for their use. From this power to levy tribute comes nearly all the differences seen in society at the present time. It is that which is widening and deepening the gulf between Dives and Lazarus and filling the land with tramps on the one hand and millionaires on the other. It is this that puts the mortgage upon the farm in the North and West, and the plantations in the South. It is this which all scripture has condemned and all just men deplored. It is this which organized labor through the sub-treasury plan seeks to destroy. This plan furnishes the people with a currency that meets all the requirements necessary to establish a just price for products, and will eliminate the tyranny of usury over labor in production.

A VALUABLE addition to the literature upon the sub-treasury plan will be found in another column, by L. F. Livingston, President of the Farmers State Alliance of Geor-

gia. President Livingston is now one of the most prominent and popular Alliance men in the United States. He was elected Vice-President of the Georgia State Alliance in 1888, when that body was first organized, and before the first year was half completed he was compelled by the resignation of the President to assume the duties and responsibilities of that position. It is always a trying ordeal for any man to take charge of the administration of an executive office in the middle of a term, when the policy is perhaps only partly inaugurated, but such was the executive ability of President Livingston that he finished up the term to the entire satisfaction of the order of the State, and with honor to himself and credit to the Alliance, as was demonstrated at the next meeting of that body in 1889, when they unanimously elected him President by acclamation. Georgia, by virtue of her size, position and enterprise, has often been in the lead of the group of Southeastern States in the adoption of new enterprises and reforms, and the Georgia State Alliance stands among the strongest and best, and it is indebted in no small degree for its prestige to the energy and ability of its President. He always has the backbone to advocate what he believes to be for the good of the order, even if it seems to detract from his personal popularity. His present effort to secure a perfect understanding of the sub-treasury plan by the order in that State will in time prove to be work of great value to the movement, and will bear valuable fruit in abundance.

DURING the past twelve months the national bank circulation has been reduced \$32,098,219 as reported by the Comptroller of the Currency February 28. The decline in national bank currency for February was \$2,373,166. The circulation outstanding at this date was \$192,120,406, of which \$127,410,251 was based on Government bonds, and \$64,710,155 based on lawful money. There was \$143,197,000 in bonds deposited to secure the \$127,410,251 national bank notes in circulation. According to the statement of this department, there was a net decrease in all kinds of circulation during February of \$10,276,963, and an increase in the national Treasury during the same time of \$6,901,968 in money and bullion.

JOHN STUART MILL says: "Capital is kept in existence from age to age not by preservation, but by perpetual reproduction, every part of it is used and destroyed, generally very soon after it is produced, but those who consume it are employed meanwhile in producing more. The growth of capital is similar to the growth of population. Every individual who is born, dies, but in each year the number born exceeds the number who die; the population therefore, always increases, though not one person of those composing it was alive until a very recent date."

THE office of H. W. Sandusky, secretary of the Kansas Alliance Exchange Company, has been removed from McCune to Topeka.

THE NATIONAL ECONOMIST

SENATOR STANFORD, of California, introduced in the United States Senate March 11 the following resolution:

Whereas there is a stringency in money and much consequent distress, the energies of the country being depressed, large portions of the farming communities heavily burdened and struggling for relief; and

Whereas the United States Government is alone authorized to make money which shall be a legal tender, whether it be a stamp upon paper, silver or gold; and

Whereas the value of the three commodities when used as money depends entirely upon the stamp of the Government making it a legal tender; and

Whereas it has been found that the money advanced by the Government upon its own bonds to the holders thereof has furnished the best and most acceptable currency, through which to-day in our country most of the exchanges are made, and

Whereas the present stringency is largely due to the retirement of Government bonds which have been so largely the basis of our circulating medium; and

Whereas it is of great consequence to national and individual interests that credit should be established, where merited, as far as is safe and practicable; and

Whereas the Government can do this abundantly, without risk to itself, upon much of the property of the country, as it is now doing upon its own bonds, upon which it is paying interest; and

Whereas loans upon a property basis would furnish all the money needed without cost to the Government, and a fair interest paid by the borrower would give to the Government for the use of its credits in bills a large income, therefore be it

Resolved, That the committee on finance be instructed to inquire what relief may be furnished by the United States Government, and particularly whether loans may not be made by the Government upon mortgages deposited with it upon real estate, independent of improvements, at such rate and to such an amount only as will make the security to the Government perfect, the Government to receive some small rate of interest, from 1 to 2 per cent, ample compensation for the use of its credit, and to prevent the undue applications for loans beyond the needs of the country. And the Government, as further restraint and provision against an oversupply (if such a thing be possible upon perfect security, where the interest is very slight) shall provide to call in a percentage of its loans, from time to time, upon reasonable notice, as it may deem necessary, at its own discretion, for the welfare of the nation.

In explanation of the resolution he said:

From the earliest civilization there has existed in all countries a need of some commodity that will stand as the representative of values through which exchanges can be made without the commodities themselves being passed from hand to hand. In process of time gold and silver came into use for this purpose of equalizing exchange, and to-day, when stamped by responsible governments, these metals have a value as money far beyond any possible value they might have were they only used in the arts. But it is obvious that their value as legal-tender depends as much on the Government stamp as does the paper which is stamped by the Government and made legal-tender. Money becomes valuable as it stimulates industry and facilitates the exchange of the products of man's labor. Property itself is valuable according to the uses to which it is applied. The Government bond is valuable to the holder on account of the interest it earns. As an energetic factor in the transactions of men it only amounts to the percentage which it draws, but when the bondholder by depositing it with the Government receives back 90 per cent in Government bills, 90 per cent of its value becomes energized into an active commodity, giving possible employment to the energies of the country. In like manner, if the farmer were able to borrow from the Government without interest, a certain amount of its bills, giving his farm as security therefor, to that extent his land would become an active force, and he would be enabled, while giving employment to the extent of the money loaned him, to improve his farm and increase its value to the full amount of the loan. Thus, the Government loan would be doing a double duty. Now, the activities of this money do not terminate with its expenditure by the farmer; those who have received it in turn will make use of it as an energizing factor in the forces of life for an indefinite period. As money employs labor it brings to life a continuing force, labor begetting labor as certainly as its fruits are valuable. Another way by which we

can appreciate what money actively used may perform in the settlement of balances is to be found in the value of commodities produced and exchanged compared with the amount of money in circulation. * * * An abundant supply of money means to individuals of capacity a field for the use of their abilities in prosecuting their various callings of life, and will be particularly valuable to associations of individuals by affording them facilities for obtaining capital for the transaction of every kind of business. An abundance of money means universal activity, bringing in its train all the blessings that belong to a constantly employed, industrious, intelligent people. * * *

Whereas the value of the three commodities when used as money places the power in the hands of the industrious, and enables combination of labor that would produce ample competition and prevent anything like an oppressive monopoly. This combination has always done when not accompanied by any special privileges. Cheap and abundant money means co-operation of labor to an extent heretofore unknown, and with all its consequent advantages. Its abundant supply and possible activities would be one of the great means of employing labor and controlling and utilizing forces at man's disposal, and would go far toward aiding his intelligence toward realizing his highest destiny.

After a careful consideration of the above, together with all the circumstances leading up to its introduction, comment becomes somewhat difficult.

An earnest desire to be just, coupled with the fear of being misled, makes it all the more perplexing. The proposition itself is not original. It has been before the Senate for some time in a bill coming from Coles County, Ill., and introduced by Senator Cullom. Besides this,

Whereas loans upon a property basis would furnish all the money needed without cost to the Government, and a fair interest paid by the borrower would give to the Government for the use of its credits in bills a large income, therefore be it

Resolved, That the committee on finance be instructed to inquire what relief may be furnished by the United States Government, and particularly whether loans may not be made by the Government upon mortgages deposited with it upon real estate, independent of improvements, at such rate and to such an amount only as will make the security to the Government perfect, the Government to receive some small rate of interest, from 1 to 2 per cent, ample compensation for the use of its credit, and to prevent the undue applications for loans beyond the needs of the country. And the Government, as further restraint and provision against an oversupply (if such a thing be possible upon perfect security, where the interest is very slight) shall provide to call in a percentage of its loans, from time to time, upon reasonable notice, as it may deem necessary, at its own discretion, for the welfare of the nation.

In explanation of the resolution he said:

From the earliest civilization there has existed in all countries a need of some commodity that will stand as the representative of values through which exchanges can be made without the commodities themselves being passed from hand to hand. In process of time gold and silver came into use for this purpose of equalizing exchange, and to-day, when stamped by responsible governments, these metals have a value as money far beyond any possible value they might have were they only used in the arts. But it is obvious that their value as legal-tender depends as much on the Government stamp as does the paper which is stamped by the Government and made legal-tender. Money becomes valuable as it stimulates industry and facilitates the exchange of the products of man's labor. Property itself is valuable according to the uses to which it is applied. The Government bond is valuable to the holder on account of the interest it earns. As an energetic factor in the transactions of men it only amounts to the percentage which it draws, but when the bondholder by depositing it with the Government receives back 90 per cent in Government bills, 90 per cent of its value becomes energized into an active commodity, giving possible employment to the energies of the country. In like manner, if the farmer were able to borrow from the Government without interest, a certain amount of its bills, giving his farm as security therefor, to that extent his land would become an active force, and he would be enabled, while giving employment to the extent of the money loaned him, to improve his farm and increase its value to the full amount of the loan. Thus, the Government loan would be doing a double duty. Now, the activities of this money do not terminate with its expenditure by the farmer; those who have received it in turn will make use of it as an energizing factor in the forces of life for an indefinite period. As money employs labor it brings to life a continuing force, labor begetting labor as certainly as its fruits are valuable. Another way by which we

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. 46.

COMPETITION AS A DISTRIBUTOR.

By derivation, competition signifies "seeking together," and is defined in the dictionaries to mean "the strife or rivalry of two or more persons for the same thing." But competition in the commercial and industrial sense has a much more complex meaning. It originates upon the same basis, but the laws established by centuries of experience as to the results of commercial and industrial competition show its effects to be carried far beyond the meaning of a common strife for a common object.

Before proceeding to the study of the force in its economic significance, let us devote a thought or two to the moral relations of the word. It hardly needs any argument to show that, without competition for excellence in the qualities that are desirable to the human race, no progress would ever have been made. The community where

individuals do not emulate with each other in the cultivation of intelligence, inventiveness, bravery, self-denial or industry, would remain at the level of savagery. Nor is it necessary to secure the progress with competition to make the race better, wiser and more powerful, that it should be wholly unselfish. An individual may seek to advance himself from selfish motives, yet his gain of wealth, of intellect, or of strength must show to others how the same qualities can be developed. Bacon, "the greatest, wisest, meanest of mankind," probably attained his wonderful eminence of intellectual culture solely from the selfish motives which were apparent in his judicial career, but his wisdom has enlightened subsequent ages as effectively as if it had been inspired by the most disinterested feelings. Nor could the advance of the race have been secured unless this inducement to effort had been held out for the benefit of individuals. Competition, rivalry, emulation, have always been

found to be the strongest and most efficient motives in securing progress by extending the benefits of the qualities in which each individual tries to excel among the greatest possible number.

The economic working of this force, or competition in the creation of material wealth, shows the same results in a more marked degree. The competition itself is for gain—the rivalry to secure the best return in money or property for labor or commercial efforts—but while each individual motive may be primarily the selfish one of wealth, the effort or force of competition is to limit the individual gain and to produce the widest possible distribution of the results of industry. This is apparent everywhere in

The Investor's Guide (Scotland, S. Dak.) comes out on the side of right, as the right appears:

The coming party of the Northwest is to-day the farmers and laborers party. Its thorough organization is going on. Its success will be guaranteed by its determination to oppose all trusts, monopolies, political powers and parties, who are now speculating upon the industry and labor of the people. The columns of this paper will hereafter be devoted to this cause. "Sink or swim, survive or perish," we launch our little ship, the Investor, upon the present troubled waters.

the workings of the force. If a man is the sole producer or seller of any given staple or service, he can levy upon that service such charges as he sees fit; and the only option for those who need to buy the staple or commodity is whether they shall pay the prices that he fixes or go without the article that they desire. But if he must meet the rivalry of other merchants or producers in the same line of industry, then his prices will be regulated, not by his own will as a measure of the profits which he desires to make, but by the rivalry of all the merchants to secure business. The price will be limited on the one hand by the great desire to secure gain. Under that original motive no one will conduct business at a loss; but under the secondary force of the rivalry of all the competitors engaged in the business, each of them will strive to secure business by holding out superior inducements for the employment of his services or for the purchase of his staples.

This is a necessary and universal result of competition. The man who does not hold out inducements equal to those of his competitors must inevitably see the business transferred to his more enterprising rivals, and himself defeated of the primary purpose of gain by the entire extinction of his business. So, while the original motive is that of gain, the method universally becomes that of holding out such inducements as shall secure the patronage or business from which the gain is expected. The inducements may consist either in the cheapness of the price or in the quality or the promptness of the service; but in any case, the practical purpose of competition in manufacture, trade or transportation is to secure patronage or custom by doing more for the same money than any rival. The necessary result is that competition always seeks to increase profits by enlarging the volume of transactions so that a small profit yields greater returns than a larger margin on a small volume of business. The primary purpose of gain is best subserved by the secondary method or principle of securing the greatest traffic by offering the most thorough inducements, and doing the best for the purchaser that is possible without actual loss. The universal result upon prices therefore is that free competition in any industry or staple of commerce always results in establishing the narrowest margin of profit above the cost of production. Thus the margin is fixed by competition as the measure of the common willingness of all competitors to accept it as their share of the rewards of industry.

Even if there were no such selfish interests governing the assignment of capital and labor to the various industries, the decision of any government must be fallible. It might assign to agriculture not only a greater share of the effort than was equitable, but it would be likely to send into agricultural production a great many men who were unsuited for the economic pursuits of that industry. But under competition, with the free operation of that force, fixing the prices and profits of each industry, the inevitable result must be that men will go into that line of industry that offers them the greatest inducement. If one industry is more profitable than another, capital and labor will flow into that department of effort until their competition has brought it down to a level with the average profits of the whole community. If one industry is yielding less profit than the others, capital and labor will avoid it

until the competition of the other industries brings its profits to equality with them. And under this force the distribution of effort is regulated according to individual taste and ability. Of four men, the qualities of one may be such that agricultural effort offers him the greatest inducement; of another, that mechanical or industrial work will be most profitable; of the third, that commercial effort will yield him the best returns; and of the fourth, that transportation enterprises offers the richest reward. In such cases, subject of course to the possibilities of human mistakes and errors, the distribution of industry and the division of labor is regulated by natural laws as unerring and universal as the force of gravitation which holds the physical world together. In regard to the possibilities of human error, the competitive system confines the results of such mistakes to the individual who makes them, and therefore places the greatest premium upon accuracy of judgment as to the distribution of individual enterprise. The socialist theory, on the other hand, would place the burden of those mistakes, multiplied and exaggerated as they would be, so as to cover the whole body of industry, upon the masses of the people. Socialism would regulate the distribution of industry by human and finite degrees. The competitive system establishes a system of distribution by the natural laws which create the greatest demand and inducement for capital and labor where they are the most needed.

Here we may perceive the first point as to the interference with this great force, by the device of pools or trusts. Under the free action of competition, with competition in demand as well as in supply, in purchase as well as in sale, we see that each industry will attract its natural and legitimate share of capital and effort. But suppose that some device, such as the capital of certain interests in transportation and industry has been seeking for years, succeeds in permanently establishing the decree, that one industry shall be freed from competition, and that new capital and additional labor shall not go into it, except upon such terms as the original interest controlling that industry shall dictate. What is the inevitable result? In the first place, the industry that is emancipated from competition, can exact for its products a greater share of the product of all the other industries than it could under competition. This is generally called advancing the price of a single product; but the inequitable nature of such an operation is shown by the fact that in relation to this product all the other products of industry are depreciated. If the price, say of sugar alone, is doubled, while all other products remain unchanged, the practical effect is, that, measured by sugar, the other products are depreciated one-half. It will take of the staple of all other industries, exactly twice as much as before, to purchase the sugar which they need. The justice of the distribution of prices is therefore thrown out of balance by

the first effect of abolishing competition in a single industry, and leaving it in force for all the rest.

In the next place, when any industry is able to exclude competition, it inevitably follows that the new capital and labor created by the growth of wealth is debarred from coming into its industry. If it is not, the effort to exclude competition must eventually fail; if it is, the care of the growth of capital and the increase of population which naturally belongs to that industry is forced into other industries, and the result is that the burden of competition is increased upon the other industries for the benefit of this one. Production is made insufficient in the favored industry, and is made excessive in those which are left subject to the action of the competitive force. The interest, which by maintaining a monopoly, exacts that the total of its product shall remain unchanged, while the production of all other industries is doubled, is thus enabled to obtain twice the return for the same effort, or, what is equivalent, the same return for one-half the effort.

Wherever by any device this is secured, it is simply the creation of a privileged class in commerce which subsists and is enriched by the disadvantage, and at the burden of the mass of industry. The monopoly thus created, is able to buy the staples or services of others at competitive rates, and at the same time is able to force others to buy its staples or services at more than competitive rates. Here is denied that equal opportunity for wealth, and the equal share of the reward of effort which is at the very foundation of democratic society. Unless the privilege or advantage is confined to a favored class, it is no privilege or advantage at all. If competition were abolished in every staple of production and every service of commerce, that would mean the perfection of socialism. Suppose that by such an abolition of competition, every article and every service was arbitrarily doubled in price. The sum total of the change would be the reduction of the purchasing power of a dollar, to fifty cents. Everybody's labor and enterprise would buy just as much of every one else's labor and enterprise as before. But when, as is the case, the exclusion of competition is practical only in a few departments of industry, there is created a privileged class of capitalists and business men, who, by that means are enabled to give less of the result of their efforts in exchange for the labor of the rest of the world.

In a word, the just and universal distribution of profit, prices and the reward of business is disturbed and interfered with for the advantage of the few. The yardstick of commerce is made 36 inches for the mass of mankind, but it is dwarfed to 30 inches for the benefit of the inside parties to the trusts. The privileged class in industry is the equivalent of the nobility of feudal times or the privileged class in political and governmental power.

This puts the first aim and effect of the combination system in its true light before the public. It means the creation of privilege for the few, disadvantage and burdens for the many. So long as competition is free, each man able to engage in any industry he chooses, the reward of industry will be equally divided, and every man will have an equal opportunity in the acquisition either of a modest compensation or of greater wealth. But the moment that you abolish competition for the benefit of a single industry, you establish a privilege in favor of those who secure the advantages of that abolition, which makes the mass of industry serve them for less than a legitimate reward. If that advantage is not secured over the mass of industry, the entire purpose of the abolition of competition is defeated. The sole purpose of competition is to increase profits, and the increase of prices for single staple means the relative diminution of prices for all the others.

The first point, therefore, in the discussion of the relative merits of competition and combination can be summed up as follows: Full competition means equality in trade and fair distribution of the rewards of industry. The suspension of competition creates privilege and advantage for a favored class at the cost of burden and disadvantage for the masses.

PLUTOCRACY AS IT IS.

A New York referee, in a suit against the trustees of an estate, has decided that man needs \$30,000 a year to live on. The trustees, in this case, found that the recipient was not extravagant, though his expenses frequently exceeded his income. The plaintiff has demanded, and obtained upon this trial, a detailed statement of all moneys applied by the trustees to the use of Osborn (the defendant), and has examined one of the trustees as a witness. Not an item of improper or even extravagant expenditure appears on the record, and no suggestion has been made that any item has been open to objection on the strictest moral ground. The presumption is, therefore, all in favor of the trustees, who did not personally know of Osborn's habits, and against the plaintiff, who did, and who lent Osborn money knowing it was likely to be used for immoral purposes. Lawyers say that the courts have been growing more liberal in their consideration of the question which often arises, how much money is needed for a man's support? They take into account a man's social surroundings, and the amount of money he has been accustomed to spend, and in this case the proposition is flatly set forth that an unmarried man, with no dependences, may claim legally that he needs \$30,000 a year for living expenses.

The above is taken from the *World*, and may be considered a fair example of the present plutocratic tendencies in this country as passed upon by an American court of law. If this decision is to stand as a rule of the past and a precedent for the future, the state of society is indeed deplorable, and the stability of free institutions are endangered. With such wide differences of conditions among the people as will permit one

person to legally demand \$30,000 for his individual support in idleness each year, and compel a whole family to labor continuously for the same period and live upon less than \$300, where lies the hope for future progress, or that patriotism and love of country will continue to obtain? Such proceedings as this are among the certain channels of information through which those who produce the wealth of the country are made acquainted with its unjust distribution. Is it to be wondered at, in view of this, that the laboring classes are becoming restless, or the mortgage ridden farmer is finding fault with his surroundings? \$30,000 represents, at the present time, more than 45,000 hard day's work, or the continuous yearly labor of at least 150 able bodied men. Should a proper distribution of the fruits of toil permit one man to absorb and squander the hard earnings of 150 of his fellows? A closer calculation will disclose the fact that to obtain this large sum would require the absolute net income above a bare living of more than 1,000 average laborers each year. It is just such developments as this that sicken and disgust well-meaning men with present conditions, and force them to band together in the interest of justice and reform. No one person can legitimately expend \$30,000 per year for personal needs or comforts. For this reason the greater portion must be squandered in vice and immorality. The individual, therefore, who indulges in such extravagance becomes a curse to any community in which he may be found. He is above the law, and generally beyond criticism, and his example is far worse than a colony of thieves, thugs, or robbers. The very atmosphere which surrounds him is heavy with crime, debauchery and lawlessness. But few can become his associates without partaking, to a more or less degree, of a desire to be similarly situated, and to that endeavor may be traced many of the crimes of the present day. It is to eliminate such inequality between citizens of a common country that organized labor is contending. May the time soon come when such endeavor will be crowned with success.

The disbursements on account of Government expenditures for the last eight months amounted to \$77,116,483, or \$9,639,560 per month. To meet these payments the Secretary of the Treasury has nearly \$40,000,000 deposited with the various disbursing agents. This is another way of keeping the "money among the people" that the Treasury Department has adopted. Why this vast sum of money is kept on deposit with this branch of the public service, should be investigated by Congress. It amounts to a corruption fund, and nothing else.

"CONGRESS should assume at once its own inherent sovereign right to furnish for all the inhabitants of the United States a uniform national currency. The people and the people only have a just right to all emoluments that may arise in any way from the issue of all that is allowed to circulate as money—as all money must have the stamp of the Government on it."—Peter Cooper.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

ISOLATION OF THE SICK.

It is a practical difficulty among the poor that they frequently occupy dwellings insufficient for the accommodation of their families. If the whole family is crowded into a single apartment, as is often the case in cities and towns, and even in the country, no isolation of the sick would be possible. It is true that in every city there ought to be ample hospital accommodations for infective diseases, but the fact is there are very few cities or towns in which such provision exists. It is true that no house is constructed in accordance with the requirements of modern civilization which has less than three sleeping apartments, viz., one for man and wife, one for boys and one for girls; yet a vast majority of the poor have not even two sleeping rooms in their dwellings apart from their general living room. The meaning which is attached to this fact is that it is placed beyond the power of the poor to live in the light of modern sanitary science, or under physical conditions conducive to morality and decency. Hence is derived a burning comment upon a system of government known, the demonstrated, the undeniable tendency of which is to make the rich enormously rich and the poor too poor to live according to the laws of health and morality; to compel them by the inexorable condition of their environment to live contrary to the laws of God no less than the most wholesome and wisest of human laws. In the old days of slavery this writer moved upon a Southern sugar plantation, and found there model sanitary arrangements for the families of the slaves, including an ample and well-appointed hospital for the accommodation of the sick. Experience has fully demonstrated that such a building need not be at all expensive. It may be and had better be built of common materials. On every farm where a number of laborers are employed such a hospital ought to be found, and the agreement with the laborers should include the item that in case of any infectious disease the sick shall be moved to this building, and there isolated under the direction and supervision of the attending physician. During a great part of the year a couple of large wall tents may be used either as a hospital for the sick or a place for the isolation of the unaffected children of the family, as may be judged best and most convenient. During the late war the writer was assigned by order of the late General D. H. Hill to duty at his corps field hospital, the accommodations for which were large wall tents, and having had during many months experience in the treatment of the sick and management of convalescents under canvas, the writer feels that he draws upon ample personal experience in saying that during a great part of the year a tent is the very best apartment in which a sick person can be placed. In many parts of our country this is true the year around. It will be apparent that we are replying to criticism of suggestions formerly made as to the isolation of the sick, and we are now endeavoring to show that if the necessity for isolation be admitted the means may be provided in general without much cost or effort. As a practical example of the utilization of means at hand, the following case is offered: Upon one occasion the writer, being resident physician at

Rawley Springs, and the place being crowded at the height of the season, there were more than two hundred children there of whom at least three-fifths were liable to measles. This disease appeared nearly simultaneously among the children in three families. There was an old building under which had been a ladies ten-pin alley, and above six rooms now unoccupied. Into these rooms these families were moved, the hotel apartments occupied by them were disinfected by the writer, and due notice of the cases and precautions taken was given to everybody. Nobody left. No case of measles occurred outside the isolated families. Without these precautions, one of two things, must have happened, viz.: either the company must have been dispersed and the season closed, or there would have been more than one hundred cases of measles, very likely some fatal. Where there's a will there's a way. When necessity is recognized and responsibility felt, means can and will be provided as a rule. One suggestion more. If on a farm malignant scarlatina or diphtheria breaks out it will be better to send the unaffected children to sleep in a barn-loft or hay-barracks, or any unoccupied building, rather than to confine all sick and well together in a single room in an over-crowded dwelling. In summer time, give them a hammock and let them take to the trees if need be. Anything is better. Nothing can be worse than over-crowding sick and well promiscuously together in a small, close room.

PROTECTIVE INOCULATIONS.

It is announced from New York that several persons have been dreadfully bitten by a dog believed to be rabid. At the Pasteur Institute a test has been made by the inoculation of rabbits to determine the question positively. The persons bitten are also undergoing protective inoculations with the very reasonable hope and expectation that their lives may be saved. In the midst of these extremely interesting and important experiments with the dependent issue of human life at stake, the profoundly disgusting information is obtained that those unutterably silly persons who are styled the women's branch of the society for the prevention of cruelty to animals, whom we may have styled for short the Berghites, have sent a constable to notify the officers of the institute that cruelty to rabbits in the premises will not be tolerated. Are these supremely foolish persons seeking an opportunity to advertise their craze, and to prevent if they can the cure of persons over whom is impending the most agonizing death? Does it matter not that they may be overtaken by the most terrible of all maladies provided these Berghites have the opportunity to ride into notoriety on the pall of their victims? It is time, and high time, there was an end of such folly. It is time, and high time, that legislators should cease to suffer themselves to be made fools of by these silly agitators of a pitiful craze. And that all such statutes as enable these people to disturb important work should be unconditionally repealed. Doubtless the good sense of judges and other officers of the law was relied on to prevent the maladministration of these statutes and the degeneracy of these societies into contemptible nuisances. It has been overlooked that these judges and officers may think it worth while to seek after the poor notoriety these Berghites can give and the handful of votes they control at elections, and the further fact has been overlooked that judges themselves sometimes display the temper and mental qualities of old women. Public sentiment does and always will sanction the punishment of unnecessary cruelty, but it does not and never will sustain foolishness and perversity. Public sentiment does not and will not sustain, it ought not, even in pity, to tolerate obstructive influence with the only method ever devised which holds out a ray of hope for persons affected with the virus of rabies. Let the Berghites be warned that persistence in such folly will alienate from them the sympathy which has led sensible people to tolerate many of their mischievous and pestiferous meddlings as misguided judgment and well-meant mistakes. Men who ought to have better sense have been known to denounce Pasteur himself as a cruel monster. We repeat it, it is high time that what has gained false currency as public opinion supporting these follies should be exposed and the true sentiments of rational people should be made known.

THE OXFORDSHIREDOWN SHEEP.

We have given brief sketches of the several so-called down breeds of sheep; a group of which the Southdown is the common parent. We close our sketches of this group with the Oxfordshiredown, or "Oxfords" as commonly called. These sheep are in the main a cross between the Cotswolds and the Hampshire-downs, but having other infusions of several down breeds in certain cases. As the breed now exists, it shows considerable Hampshire character in form, but in fleece the influence of the Cotswold is very prominently exhibited in most of the Oxfords. They are classed as intermediate between the long and short-wooled sorts, but so far as the personal examinations made by the writer go, the Oxfordshiredown is a great deal nearer the long than the short-wooled type of sheep. In carcass, as has just been stated, the Oxford is nearer the mutton type of the down. Undoubtedly this breed varies not inconsiderably in the hands of different breeders. It does not stand hard stocking nor hard fare well, but in the hands of skilled breeders and handlers it has produced some of the most splendid sheep ever seen, and is, of course capable of doing under favorable circumstances at any time. The grades of this breed do not and can not take rank with older, better defined, and less composite sorts. To claim that they do or can is mere folly, as it is mere folly to claim all kinds and degrees of excellence for any one breed of sheep. If our sketches of the group of down breeds be now briefly reviewed or recalled, it will appear that by a definite system of crossing, several new breeds of sheep of great value have been produced which breed with very satisfactory uniformity. It has taken from twenty-five to thirty years to bring the new breeds to a satisfactory standard of uniformity, and excellence, and to secure recognition for them at the public exhibitions as good and distinct breeds. This could have been done in less time if, as was not the case, a definite plan had been adopted in the beginning. But the fact accomplished is, that in from twenty-five to thirty years the practice adopted has produced in each case a good and distinct new breed of sheep.

THE GULF STREAM.

Where is the Gulf stream gone now? At 6 o'clock this A. M., January 23, 1890, the thermometer at the writer's front door stood 12° F. Yesterday it ranged above 50°. This morning General Greeley's weather report says, "fair, slight changes in temperature."

It has long been supposed that the Gulf stream has an important influence upon the climate of the Atlantic coast. The truth is, its influence is very small. Not long before the lamented death of that great man, M. F. Maury, the writer being in Lexington was invited to accompany him in a walk to some heights adjoining the town to view the sunset. In the course of the walk the writer called the attention of the commodore to the fact that the newspapers attributed to him the opinion that the Gulf stream was responsible for our weather. "Oh, those newspapers," he replied. "I never said it. The stream has a vibratory movement within somewhat narrow limits, and I should say those movements scarcely appreciably influence the temperature of the coast. That we feel any such influence this far inland and this high up can not be conceived probable. The truth is, the severity of our winters is due mainly to the continual winds, the movement of which is from West to East, blowing oftentimes clear across and sweeping the whole continent from side to side and from end to end. I suspect the Rockies have more to do with our winters than the stream." It is clear that the great physical geographer had no notion that the Gulf stream governs the weather, even along the coast. It can not prove uninteresting to record some further incidents of that last interview of the writer with a man so famous for his scientific works and their great and permanent results. In remarking upon the beauties of the splendid sunset before us he said, "I love to come up here and take this in. I believe that I was born a lover of all the beauties of nature, and my manner of life has led me to cultivate that taste. I have noticed that there is a wonderful difference in different horizons as to the beauties of the sky. This is about the finest I know in Virginia, except at Warrenton, which is the finest I have ever seen in this country or abroad." Remarking then upon the general lack of appreciation of local scenery, he declared that the Goshen pass was, in his opinion, the finest thing in the way of natural scenery he had anywhere seen. He said he had been at the summit of Mount Blanc, and at many famous places in the Swiss Alps, and in many other parts of the world, and yet, he said, "Yonder, a few miles from where we stand, without a particle of famous mention anywhere, is one of the most beautiful things of the sort in this world, as I think." Among famous men there was never a greater conversationalist nor a more delightful companion. He was not content to do all the talking himself, even with the most uninteresting companion. He was not only a most brilliant talker, but so to speak, a brilliant listener; a listener whose tact in drawing out a companion's thoughts and reflections was unequalled. He was undoubtedly a great man among great men. Among common men he was a delightful, simple-mannered gentleman.

"EVERY man is rich or poor according to the degree in which he can afford to enjoy the necessities, conveniences, and amusements of human life."—Adam Smith.

WHENEVER a people become restless and discontented, complain of hardships and oppression, the politicians begin to talk of political liberty, either because this is a subject on which they can grow eloquent, or because they are too stupid to see the real cause; or if they know the real cause they are too tricky to state it. All the so-called

struggles for liberty resolve themselves into a struggle to protect individual earnings and property. Governeur Morris, in the constitutional convention of 1787, said on this point:

Not liberty; property is the main object of society. The savage state is more favorable to liberty than the civilized, and was only renounced for the sake of property.

Social progress has for ages been merely a fight of the weak many to protect their earnings from the powerful few, and this warfare has been merely changed from a contest of arms to a contest of wits. The people are steadily rising in intellectual scale, and have now reached a point where it is a disgrace to their intellectual character that they allow a financial system so antique to oppress and rob them. The placing of the volume of the currency in the hands of the few is a piece of tyranny and an outrageous oppression only equaled by the arrogance of the French Kings before the revolution, who assumed the earnings of the people to be the King's property, and would have been startled at the assertion that he had no right to waste the revenues at his royal pleasure. Many will say that the present financial system was good enough for our fathers, and should be good enough for their children; we are doing well enough and should be content. Yes; the world has always been a good place for the powerful, or those allied to power, but all progress is the result of efforts to make it tolerable for the weak.

The proposed reform of our financial system is the means the farmers and industrial masses of America offer as a means of making it thus tolerable. They have seen that the contraction of the currency from 1866 to 1876 resulted in the loss by failure of \$1,422,000,000 of values to the industry of the country. That at the beginning of this experiment (or robbery) the industry of the country was prosperous; labor was well-paid and fully employed. Tramps were unknown, but the energies of the people were profitably utilized. At the expiration of this decade, after reducing the volume of the currency to \$696,000,000, bankruptcy stalked abroad in the land; the business interests of thousands were wrecked; three millions of men were thrown out of employment, and famine stared their families in the face; an army of tramps wandered up and down the land in a vain search of food and work. Strikes, riots, and threatened revolution afflicted the country.

A FARMER from Center, Mo., writes:

I have watched with intense interest all the discussions concerning the "sub-treasury plan," which was adopted at the St. Louis meeting of the N. F. A. and I. U. The plan is so absolutely different from anything now in vogue that a study of the subject requires deliberation. I fail to find any valid reason why the plan should not be tried. It seems to me that it is certainly time that something should be done for the farmers, even if it be at the risk of being called "class legislation." I think it would take a great deal of "class legislation" in favor of the farmers for us to catch up with the class legislation that has been had for others and against us. It would urge upon the farmers to study these questions, look into them, "prove all things and hold on to what is good," and it certainly would be good if we could be provided with an escape from the "power of money to oppress." And, moreover, to enable the farmer to hold his grain and cotton at such rate as not to be compelled, as now, to force them upon the market at certain seasons of the year, but to distribute the supplies more nearly in accordance with the demands from consumers. Again, the "sub-treasury plan" would "knock out" that army of gamblers and vampires politely called speculators, boards of trade option dealers. What about the clause in section 6 which says the Treasurer (United States) "shall cancel and destroy the money so returned"? Suppose the "money so returned" should be coin? Why not instead of canceling and destroying the same put it away for reissue? "More light" should be our greatest desire in our present condition.

allows manipulation. Conservatism would amend, while radicalism would uproot and replace.

THE SCHOOL-BOOK TRUST.

The latest combine reported is between publishing houses for the purpose of controlling the price of school-books. For a number of years past there has been efforts made in this direction, but until recently no definite understanding or agreement has been consummated. It is now understood that the three largest concerns in the country have joined together and propose to dictate the educational status of the rising generation. This monopoly reaches much further than a casual glance discloses. It not only makes the price, but absolutely dictates the quality. It is intended not only to rob the purchaser, but to beggar the author. When competition was in order, every new device or improvement in educational work was eagerly accepted. Teachers and scholars alike shared in the benefits. With the combine this is changed. The cheapest is as good as the best. Superiority of matter and manufacture will give way to a disregard for either which in the end will be highly injurious to the educational system of this country. This monopoly will no doubt enrich those engaged in operating it, but it will be at the expense of the material educational advancement of the people. This form of trust appeals directly to the moral sentiment of every citizen, and the outcome will show how honest and deep-rooted that sentiment is. While Senator Blair is occupying much valuable time in the Senate advocating his educational bill and urging its adoption, other factors, under other laws, are at work demolishing the progress already made through the present system. The time has evidently come when a vigorous protest is demanded against a condition that permits such entire disregard of all the rights of every branch of society in its efforts to gather profits. In the near future it is possible that the march of science, art and literature may find its further progress checked by the greed of some such monopoly or combine. If the friends of civilization do not at once begin war upon this attempt to curtail intelligence, then the fact will be established that nearly all human desire is swallowed up in the blind struggle for gain.

The most perfect analyses of the unfortunate prevalent condition have brought men to diverse opinions as to means of remedy. By a process of natural sorting the investigators may be fairly classed as conservatives—those who would seek palliatives and remedies, or radicals—those who would replace what exists by a scheme of government devised to order and free from apparent objections. The conservative sees in the present injustice a manipulation and perversion of the intent of government. The radical sees an evil in the condition which

The Question of Forgery.

The following communication has been received by the Executive Board of the N. F. A. and I. U., from Canton, Lincoln county, Kansas:

Prompted by an article in THE NATIONAL ECONOMIST, No. 21, headed "Was it a Forgery," we would respectfully request you to immediately take the necessary steps to have this matter legally investigated, provided you are convinced there are sufficient grounds and truth in the charges made. We demand this as citizens and tax-payers, and as we

know of no individual or organization who

could more appropriately be concerned in taking up this matter than the Farmers Alliance and Industrial Union, we consider it our duty to see to it, and have a test of it, whether this organization is a power in the land. Interest ought to be suspended at once on these bonds, and if the crime can be established by legal procedure they should and must be repudiated.

There was a fuss of repudiating the national debt in 1867 that would have been a cheat, but to repudiate this would be to throw off a cheat. It would knock the horns off this monster we are struggling with and prepare the way for the sub-treasury plan at once, thereby putting the people topmost in this conflict, the outcome of which is yet uncertain and may result in a war. You say, a repudiation of those bonds would wreck nearly all the banks, bring a financial panic over the country, and cause a great suffering and distress to many innocent people. That may be true, but a financial panic is preferable to a war in which nearly all the sufferers always are innocent. Besides, the people have suffered too much already by this gigantic bond swindle. Let these bonds run five years more, and we will have paid the original amount in interest, and the principal will not only remain unpaid, but will really be doubled on account of the decline in prices. When these bonds were issued one bushel of wheat would pay one dollar of this debt, now it requires two; then one ordinary cow would pay \$25 of this debt; now it takes two of the best cows to pay \$20. This is a continuous chain of cheat on the people. Let the national head of our organization formulate a way of proceeding in this matter, and solicit the support of the several State organizations, and the people will back it as a solid wall.

Consented to and adopted by Highland Alliance in regular meeting assembled February 13, 1890.

Signed, J. E. HOLTER, Lecturer.
MATH. HANSON, Secretary.
H. T. SHELDON, President.

Similar resolutions have been passed by a large number of sub-Alliances, and many letters of inquiry have been received since the article referred to was printed in THE ECONOMIST. The statements made at the time were almost entirely matters of record, and the public was asked to draw its own conclusions. There appears to be a growing desire to know more about this matter, and perhaps that feeling may become so pronounced as to induce Congress to make an investigation of the whole matter. Should that ever be done in a thorough and impartial manner, many intelligent men believe that the most gigantic financial fraud that was ever perpetrated upon a free people will be brought to light. Present indications seem to warrant a belief that Congress is

being importuned from sources heretofore silent to take some action toward giving the country a measure of financial relief. Should legislation of this character be undertaken in the right spirit it is quite certain many old standing wrongs will be righted. In the meantime let the educational part of this movement be vigorously carried forward, and each individual perform his full duty.

Irrigation.
BY E. H. ELLIS.

Within the history of our country no question has come to the front more rapidly than the irrigation of lands for agricultural purposes. While in Southwest Texas, Utah, Colorado and California a few thousand acres had been brought under that system, comparatively few of the people know anything about it. When the Fifty-fifth Congress was asked for a small appropriation for surveys and reports, it was looked upon with suspicion, and passed more as an experiment than with the expectation that any real benefit would be derived from it. In the organization of the present Congress, with some, at least, it was not thought worthy of a committee, and best to treat the matter with total indifference. Only a few weeks passed before it became evident that it was a live, vital question that would not down at any man's bidding; that several Congressmen had given it careful consideration; that the senatorial committee of the last Congress who had had the matter under consideration, were not only favorably impressed, but were thoroughly convinced that it was not only practicable but that in the near future it would become an absolute necessity. The early meetings of the committee developed a degree of interest entirely unexpected.

The bill embodying all the essential features of the sub-treasury plan as adopted by the St. Louis meeting, and which has been introduced into both Houses of Congress, is now being mailed as rapidly as possible to the Secretaries of all the Alliances and Unions throughout the country, together with other printed matter of an important character. The matter thus mailed is earnestly commended to the immediate attention of the brotherhood.

All papers friendly to our cause are respectfully requested to copy the above. By order of L. L. POLK,
Prest. N. F. A. and I. U.
J. H. TURNER, Secretary.

Lecturer Ben Terrell's Appointments.

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

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.
Kansas, 12th July to 19th July.
Indian Territory, 22d July to 30th July.
Missouri, 2d August to 16th August.

ARKANSAS.

Jonesborough, Craighill county, March 17.
Forest City, St. Francis county, March 19.
Stuttgart, Arkansas county, March 21.
Toledo, Cleveland county, March 22.
Hope, Hemstead county, March 24.
Arkadelphia, Clark county, March 25.
Malvern, Hot Springs county, March 26.
Searcy, White county, March 28.
Batesville, Independence county, March 29.

All district, county, and subordinate officers are earnestly requested to be present, as Brother Terrell, after public speaking, will speak privately to the members of our order. Brother W. S. Morgan will accompany Brother Terrell through the State. The brethren will make the necessary arrangements for speaking, both public and private.

JOHN P. H. RUSSELL,
Pres. F. A. and I. U. of Ark.

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THE BOOK! THE BOOK! THE BOOK!!!

The History of

The Agricultural Wheel and
Farmers Alliance,

AND
THE IMPENDING REVOLUTION

By W. S. MORGAN.

TWO BOOKS IN ONE VOLUME.

The Grandest Book of the Year.

A LIBRARY IN ITSELF.

Kansas, irrigation will not only prove more safe and reliable but far more profitable than depending upon the natural rainfall. No more important question confronts legislators than the right disposition of this question. Whether the management and control shall be in the hands of the Government or with the people immediately interested, there can be no question but that the prosperity and happiness of the people of the country demand that in all the arid region the land and water shall be considered as one interest and absolutely under one control.

LECTURER T. J. GUICE, of the Louisiana State Union, writes that he has explained the sub-treasury plan to many of the Subordinate and Parish Unions of that State, and our duty to see to it, and have a test of it, whether this organization is a power in the land. Interest ought to be suspended at once on these bonds, and if the crime can be established by legal procedure they should and must be repudiated. There was a fuss of repudiating the national debt in 1867 that would have been a cheat, but to repudiate this would be to throw off a cheat. It would knock the horns off this monster we are struggling with and prepare the way for the sub-treasury plan at once, thereby putting the people topmost in this conflict, the outcome of which is yet uncertain and may result in a war. You say, a repudiation of those bonds would wreck nearly all the banks, bring a financial panic over the country, and cause a great suffering and distress to many innocent people. That may be true, but a financial panic is preferable to a war in which nearly all the sufferers always are innocent. Besides, the people have suffered too much already by this gigantic bond swindle. Let these bonds run five years more, and we will have paid the original amount in interest, and the principal will not only remain unpaid, but will really be doubled on account of the decline in prices. When these bonds were issued one bushel of wheat would pay one dollar of this debt, now it requires two; then one ordinary cow would pay \$25 of this debt; now it takes two of the best cows to pay \$20. This is a continuous chain of cheat on the people. Let the national head of our organization formulate a way of proceeding in this matter, and solicit the support of the several State organizations, and the people will back it as a solid wall.

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MURRAY THE HOT SHOT

"No foe, no dangerous pass they heed;
Brook no delay, but onward speed
With loosened rein;
And when the fatal snare is near
They strive to check their mad career,
But strive in vain."

WE ARE THE UNLOOKED-FOR FOE

that we have poured into the Buggy and Harness Pools and Trusts for the last year has had a tendency to make them try to stop their mad career.

WE HAVE OVERTHROWN THE HIGH PRICED BUGGIES AND HARNESS FACTORIES WHO HAVE JOINED IN THE "POOLS" AND "TRUSTS" TO ENRICH THEMSELVES,

and impoverish the consumers by giving them inferior goods at exorbitant prices.

OUR'S HAS BEEN A HARD FIGHT

with all the Buggy and Harness Factories and Agents against us. They have done everything in their power to overthrow us. But we were

on the right side, "the side of the people," and with their hearty support we have achieved

A GLORIOUS VICTORY

of which our Gigantic Business is a positive and certain proof. The Millionaire Pool-Trust Buggy men and their Agents have lost lots of their valuable (?) time in trying to injure the sale of the "Murray" Buggies and Harnesses, but have made a glorious failure of it, and they have

found out to their sorrow that we are the unlooked-for foe.

While they have been trying to injure our business, instead of running away from it, we have been gaining ground, and have now risen so far above them, that it takes a powerful microscope to distinguish their dying struggles. Our "Murray" Buggies and Harnesses do not have to be talked up, for they do all the talking for themselves, and we can give no better recommendation than the goods themselves.

WE SELL DIRECTLY TO THE CONSUMER

and from the very moment we have received from them, justifies the decision, that they are not to buy Buggies and Harnesses from us.

We are progressive, and do not allow the mass to grow on one point. We sell in all the days of electricity and steam, but keep abreast of the times, and with unlimited facilities, are always adding to our stock of the "Murray" goods in every way that is possible and judicious; and this year finds the "Murray" Buggies and Harnesses even better than they were last year.

SOME OF OUR PRICES.

HARNESS.

All "Murray" Harness is made of Best No. 1 Oak Tanned Leather.

No. 1 Murray Single Harness \$5.95

No. 2 Murray Single Harness \$9.85

No. 3 Murray Single Harness \$10.95

No. 4 Murray Double Harness \$15.20

No. 5 Murray Double Harness \$19.95



BUCCIES.

All "Murray" Buggies have double Collar Steel Axles and double bolted Wheels, with screwed rims, which prevent all possibility of splitting.

MURRAY BREWSTER \$55.95
SIDE BAR TOP BUGGY

MURRAY END SPRING TOP BUGGY \$55.95

MURRAY JUMP SEAT CANOPY TOP SURRY \$99.00

MURRAY ROAD CART, \$15.00

A "MURRAY" \$66.90 TURNOUT.
This turnout includes one "Brewster Side Bar" Murray Buggy, and our No. 1 Single Strap Trotting or Track Harness, with either Open or Blind Bridle, as desired.

Write us for our large illustrated Catalogue, containing full description and Net Cash Prices of the "Murray" Buggies and Harnesses; also book containing words of praise from people in all parts of the United States, who have bought, tried and tested our goods; and send all letters plainly to WILBER H. MURRAY MANUFACTURING COMPANY,
"MURRAY BUILDING," 139 West Front Street, CINCINNATI, OHIO.



PEERLESS LEADS THE WORLD.

TRACTION & PORTABLE "DOMESTIC" & CREAMERY ENGINE

Steam Gang Plows, New Peerless and C

Threshers, Latest Improved and

Cheapest SAW MILL on the market, with

PATENT VARIABLE FRICTION FEED, PAT-
ENT DOGS, SET WORKS and SAW GUIDE.

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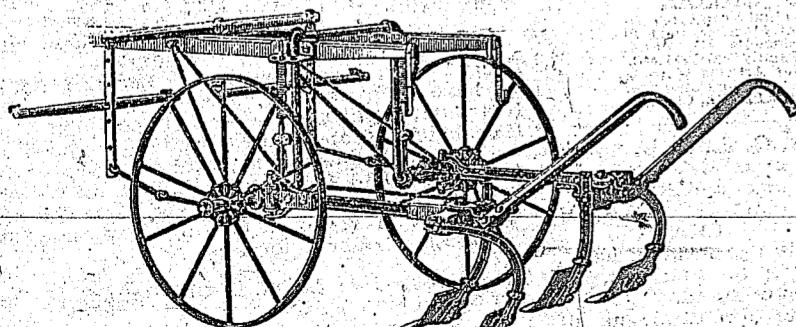
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PLEASE READ THIS CIRCULAR CAREFULLY.

We wish to call your attention to the following bank circular which is of the same nature of those received every year by the banks over the country. Ask your bankers if they ever saw such a circular:

NEW YORK, August 12, 1887

DEAR SIR: It is advisable to do all in your power to sustain such daily and prominent weekly newspapers, especially the agricultural and religious press, as will oppose the issuing of greenback paper money, and that you also withhold patronage and favors from all applicants who are not willing to oppose the greenback Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country; for then we can better protect each other. To repeal the law creating national banks, or restore to circulation the Government issue of money, will be to provide the people with money, and will therefore seriously affect your individual profits as banker and lender. See your member of Congress at once, and engage him to support our interests that we may control legislation.

JAS. BUELL,
No. 247, Broadway, Room 4

BRETHREN: From the above circular you can learn exactly the opposition reform papers like **The National Economist** have to contend with. It therefore becomes necessary to ask all those who believe in "equal rights for all and special privileges to none" to aid such papers as are advocating these principles.

This statement is made hoping that you are sufficiently interested in the cause of **The Organized Farmers of America** to help spread the light of modern reform. If so, you can in no way assist the cause more than by securing subscribers for **The National Economist**. It is the best reform paper in America. It is the cheapest paper published because it gives more valuable reading matter for the money than any other. It does not give expensive premiums to clubs, or large commissions to agents, but it does give every subscriber all the valuable reading matter it possibly can print for one dollar. One year's subscription preserved and bound makes a book of 836 large pages of reading matter, and the margin is too close for commissions or premiums. The only cash discount is that offered to Alliances, Wheels and Unions, giving them eleven subscriptions for ten dollars.

When subordinate bodies desire to order subscriptions for all their members **The National Economist** makes a special proposition to take one-fourth cash and carry the balance till fall by using a blank form of order and note that will be furnished on application. Now is the time to do effective work by getting cash subscribers at one dollar each.

Every Member of Congress reads **The National Economist**.

Make all remittances and orders to

THE NATIONAL ECONOMIST,
513 Ninth Street N. W., Washington, D. C.

The following resolution was unanimously adopted by the National Farmers Alliance and Industrial Union at the meeting in St. Louis:

Whereas **THE NATIONAL ECONOMIST**, our adopted official National organ, has so boldly and fearlessly advocated our cause and defended our principles. Therefore, be it

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

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 1.

THE

NATIONAL ECONOMIST

SATURDAY, MARCH 22, 1890.

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APPLIED SCIENCE IN AGRICULTURAL AND RURAL ECONOMY.

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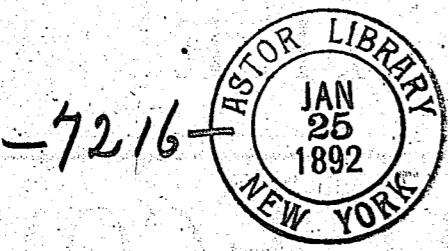
OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., MARCH 22, 1890.

No. 1.



THE PRESS AND THE SUB-TREASURY PLAN.

Since the introduction of the sub-treasury plan in the two Houses of Congress by Senator Vance and Representative Pickler, the policy of ignoring the very existence of organization among the farmers and laborers has been abandoned, and every newspaper is teeming with comments upon the subject. Some are handling the matter quite gingerly, others are looking up arguments against it, but the greater number, especially among what might be termed the subsidized press, are pursuing their usual tactics of ridicule and abuse. This movement, however, has gone too far to be injured by ridicule, and is likely to receive more benefit than otherwise from abuse. The fact is, the demands of labor in production are so just, and have been presented to the world in such a candid, earnest manner that the best men in both the old parties are inclined to listen and learn. This, of course, does not suit the plutocratic portions, and a division among their heretofore solid ranks is likely soon to occur. It must be understood as a fact, that many individuals in both parties who perform their full duty toward keeping the party machinery in motion, are getting more and more restive under the domination of party bosses. Let a revolt once set in and the political funerals of party leaders would be frequent. It is no doubt true that nearly every member of Congress as he comes fresh from his constituents, is determined in his own mind to serve their interests, but with the present system of political bossism he is compelled to ignore the wants of his own people to subserve the welfare and perpetuity of the party. At this point the statesman is changed into the politician with the usual baneful results. If the press of the country will continue its present outburst of criticism organized labor everywhere may well rejoice. These strictures upon the aims, objects or methods of labor in its attempts to obtain justice will provoke discussion, and through this the general public will become informed. What labor needs most at the present time, is the ear of the people that it may honestly, definitely and intelligently state its grievances, and make known its demands. It matters not whether these criticisms be friendly or hostile, if they are only made, because the people are in the right temper just now to examine both sides of the question. Sad experience has taught many of them that betrayal and distress lie

concealed in the majority of economic paths that are blindly followed. The following taken from a few of the more important journals may be considered as fair examples. The New York Sun of March 11, says:

"The political principles of the Farmers Alliance may be briefly described as a monstrous system of paternalism. The bill introduced by Senator Vance and providing for agricultural depositories or sub-treasuries, and the advancing of money by the Government to the depositors, is a Farmers Alliance measure, and may serve as a specimen of the absurdities for which the leaders of that organization ask. Will the Republicans and the Democrats bid for the support of these hayseed socialists? That is a question which can not be answered until the strength of the new movement can be gauged. Statistics which place the membership of the Alliance and its kindred federations in the millions, will not be accepted at present. There is much dissatisfaction among many of the farmers, especially in the South and the West, and they are disposed to make the experiment of consolidating their interests after the fashion which they so bitterly denounce in the case of manufacturing and mercantile interests. As a matter of business, their experiment is interesting, if somewhat hazardous. But if they take it into their heads to act with solidarity in politics, there may be, in the next year or two, some of the liveliest and most surprising politics ever known in these United States. Whether the Republicans or the Democrats would suffer the more from the overturning that would come, can not be foretold. At present the whole thing is in a nebulous condition. If the reports are to be trusted, a big political movement, which is likely to result in some startling political changes, has begun. But are the reports true? We imagine that some of the Senators and Representatives from the South and West are studying this question with profound attention."

The New York Times of March 10 says:

"To-day, from various and complex causes, the farmers of the West are very heavily in debt; in some regions they will be quite unable to meet their obligations, and ruin literally stares them in the face. In these circumstances it is natural that they should apply to the Government for relief. But the Government can not give them more than temporary relief, and ought not to do even that. In the first place, the Government has no money of its own to lend and can have none. The Government is not a corporation or an individual. It is simply an agency to do public business, and with the power to collect money from its employers for the purpose of that business. This money is that of the people. It is a trust fund, and though the trust for which it is raised is necessarily somewhat indefinite and must some-

THE NATIONAL ECONOMIST.

times be interpreted by the trustees themselves, it is just as much a trust, and it does not and can not embrace lending the people's money to any class of the people themselves. In the next place, if money raised in this way could rightfully be loaned to the farmers, it would give them no permanent relief. Borrowed money can not be used in any business to advantage unless the business is profitable enough to pay the ordinary rate of interest and gradually to repay the principal."

The term "hay seed socialists" comes with bad grace from a city where power and prestige comes from business connections with this class of persons, a city where every building from foundation to capstone has been laid in the sweat and toil of these same hay seed socialists. What would New York be without the consent of the balance of the country? If as the Times says the Government has no right to loan money, why is it continually doing so? It has at the present time \$33,178,251 loaned to the banks without interest, and because of a scarcity of currency among the people, dare not call it in for fear of precipitating a panic. If it is wrong for the Government to give even temporary relief to the farmer, by what process of reasoning is it made right to anticipate millions of interest whenever Wall street is being squeezed. If the Government is neither a corporation nor an individual, why does it assume these functions in all matters touching finance in favor of one class of citizens and deny them to others? These are questions to which the farmers are demanding answers, and it will be far better for all concerned if the newspapers of the country would accede to this demand instead of resorting to abuse and ridicule. All the farmers ask for is an even chance with every other class, and from present indications they are going to have it. The above quotations would fail to reach the greater portion of farmers in the regular way, hence they have been clipped to show the kind of ungenerous, unreasonable and illogical doctrines the great dailies are sending out among the people. It is ample proof that genuine reforms must come through sources not contaminated by such sentiments.

HOW MONEY IS LOANED TO BANKS.

In answer to the many inquiries as to how Government loans money to the banks, it is proper to state there are five different methods by which this object is accomplished, but neither one is called a loan either by the banks or Government. In each case some other term is used for the purpose of deceiving the people as to the real facts. The methods referred to are—

1. Upon deposit of \$100,000 in bonds with the Government the depositor is loaned \$90,000, or 90 per cent, on which is paid $\frac{1}{2}$ of 1 per cent every six months, or 1 per cent per annum.

2. By depositing \$1,000,000 of bonds with the

Government, it will deposit with such depositor \$1,100,000 in lawful money without requiring any interest whatever.

3. By depositing large amounts with the disbursing officers in banks, where it can be used and upon which no interest is paid.

4. By manipulating the 5 per cent fund for the redemption of national bank notes so the portion of one bank is held by another designated by the Secretary of the Treasury.

5. By having a post-office account, the necessity or function of which can not be clearly defined.

By the above methods there was on the 28th day of February \$202,821,814 in possession of the banks and being loaned to the people at the highest rate of interest. Meanwhile the banks were paying but 1 per cent interest per annum on only \$127,410,251. It must be understood that during all this time the banks received the entire interest accruing on the bonds so deposited. The precise amounts loaned under the above methods were—

National bank currency.....	\$127,410,251
Lawful money deposited.....	33,178,304
Disbursing officers' balances.....	31,977,816
Redemption fund, 5 per cent.....	5,450,925
Post-office account.....	4,804,518

Total..... 202,821,814

For the use of this vast sum the banks pay the Government \$1,274,102.51. The people pay the banks for the use of the same 8 per cent, or \$16,225,745.12, a loss to the people and a profit to the banks of \$14,951,642.61. Is it not about time these conditions were changed and this whole system of speculation ceased? It can only be accomplished through the medium of the "inconvenient multitude."

At the recent meeting of the Minnesota State Alliance the following officers were elected:

President—R. J. Hall, Morris, Stevens county.

1st District Vice-President—J. J. Furlong, Austin, Mrvor county.

2d District Vice-President—D. P. Lester, Lac qui Parle, Lac qui Parle county.

3d District Vice-President—H. V. Poore, Bird Island, Renville county.

4th District Vice-President—A. L. Stromberg, Forest Lake, Washington county.

5th District Vice-President—I. B. Hompe, Deer Creek, Otter Tail county.

Secretary—John Lathrop, Gary, South Dakota, Lac qui Parle county.

Treasurer—H. P. Bjorge, Underwood, Otter Tail county.

State Lecturer—Ignatius Donnelly, Hastings, Dakota county.

This is considered a long step in advance, and places that great State in a position to increase rapidly in membership and power. Especially is this true from the fact that Hon. Ignatius Donnelly was elected State Lecturer, and that able, energetic journal, *The Great West*, selected as the official organ. The same determined honesty of purpose followed up which characterized this meeting, aided by the courage and energy for which the State is noted, will soon place Minnesota among the most prominent States engaged in this reform movement.

THE NATIONAL ECONOMIST.

THE PACIFIC ROADS.

No. 1.

A bill is now before Congress to extend the time of payment by these roads of their indebtedness to the Government for a period ranging from fifty to one hundred and twenty-five years, and to reduce the rate of interest to 1 and 2 per cent per annum. Information regarding this bill has been asked for from many parts of the country. These inquiries have become so numerous that a detailed statement, as full as space will permit, of the origin of these roads and the transactions between them and the Government, is deemed expedient. There appears to be a disposition on the part of the committee in charge of this bill to urge its passage at once. This undue haste must impress every careful person with the idea that some unfair legislation is being sought, especially when it is well known that no action on the part of Government to enforce a settlement or payment can be begun before 1895. The original bill pending for these roads, passed Congress July 1, 1862. Sections 3, 5, and 6, contain the agreements between the railroads and the Government relative to the land granted and bonds guaranteed:

SEC. 3. *And be it further enacted*, That there be, and is hereby, granted to the said company, for the purpose of aiding in the construction of said railroad and telegraph line, and to secure the safe and speedy transportation of the mails, troops, munitions of war, and public stores thereon, every alternate section of public land, designated by odd numbers, to the amount of five alternate sections per mile on each side of said railroad, on the line thereof, and within the limits of ten miles on each side of said road, not sold, reserved, or otherwise disposed of, by the United States, and to which a preemption or homestead claim may not have been attached, and at the time the line of said road is definitely fixed: *Provided*, That all mineral lands shall be excepted from the operation of this act; but where the same shall contain timber, the timber thereon is hereby granted to said company. And all such lands so granted by this section, which shall not be sold or disposed of by said company within three years after the entire road shall have been completed, shall be subject to settlement and pre-emption, like other lands, at a price not exceeding one dollar and twenty-five cents per acre, to be paid to said company.

SEC. 5. *And be it further enacted*, That for the purposes herein mentioned the Secretary of the Treasury shall, upon the certificate in writing of said commissioners of the completion and equipment of forty consecutive miles of said railroad and telegraph, in accordance with the provisions of this act, issue to said company bonds of the United States of one thousand dollars each, payable in thirty years after date, bearing six per centum per annum interest (said interest payable semi-annually), which interest may be paid in United States treasury notes or any other money or currency which the United States have or shall declare lawful money and a legal tender, to the amount of sixteen of said bonds per mile for such section of forty miles; and to secure the repayment to the United States, as hereinafter provided, of the amount of said bonds so issued and delivered to said company, together with all interest thereon which shall have been paid by the United States, the issue of said bonds and delivery to the company shall *ipso facto* constitute a first mortgage on the whole line of the railroad and telegraph, together with the rolling stock, fixtures and property of every kind and description, and in consideration of which said bonds may be issued; and on the refusal or failure of said company to redeem said bonds, or any part of them, when required so to do by the Secretary of the Treasury, in accordance with the provisions of this act, the said road, with all the rights, functions, immunities, and appur-

tenances thereto belonging, and also all lands granted to the said company by the United States, which, at the time of said default, shall remain in the ownership of the said company, may be taken possession of by the Secretary of the Treasury, for the use and benefit of the United States: *Provided*, That this section shall not apply to that part of any road now constructed.

SEC. 6. *And be it further enacted*, That the grants aforesaid are made upon condition that said company shall pay said bonds at maturity, and shall keep said railroad and telegraph line in repair and use, and shall at all times transmit despatches over said telegraph line, and transport mails, troops and munitions of war, supplies, and public stores upon said railroad for the Government, whenever required to do so by any department thereof, and that the Government shall at all times have the preference in the use of the same for all the purposes aforesaid, (at fair and reasonable rates of compensation, not to exceed the amounts paid by private parties for the same kind of service,) and all compensation for services rendered for the Government shall be applied to the payment of said bonds and interest until the whole amount is fully paid. Said company may also pay the United States, wholly or in part, in the same or other bonds, treasury notes, or other evidences of debt against the United States, to be allowed at par, and after said road is completed, until said bonds and interest are paid, at least five per centum of the net earnings of said road shall also be annually applied to the payment hereof.

The amount of bonds guaranteed and interest paid by the Government for these roads is as follows:

Name of Railway.	Principal Outstand'g.	Interest paid by the United States.	Interest paid by the United States.
Central Pacific.....	\$25,885,120	\$33,547,752	\$26,883,987
Kansas Pacific.....	6,303,000	8,588,503	4,812,875
Union Pacific.....	27,236,512	35,580,000	22,879,692
Central Branch U. P.	1,600,000	2,173,808	1,750,831
Western Pacific.....	1,970,560	2,436,767	2,427,400
Sioux City & Pacific.	1,628,320	2,099,342	1,937,108
Totals.....	64,623,512	84,425,263	60,691,895

The following table discloses all the facts relating to the land grants, their amounts and values:

	Union Pacific.	Kansas Pacific.	Central Branch.	Sioux Pacific.
Acres granted....	11,309,844	6,000,000	222,560	43,336
Amount realized on land sales to December 31, 1886.....	\$19,090,672	\$11,816,695	\$1,000,000	\$239,394
Value of lands unsold.....	\$2,395,507	\$11,608,763
Acres patented, Selections pending.....	2,616,178	963,714	218,250	41,398
Acres sold.....	7,986,346	3,055,405	222,500	43,336
Acres unsold.....	3,175,507	3,883,700
Acres sold and unpatented....	5,370,168	2,091,751	4,310	1,938
Average price per acre.....	\$2.39	\$3.86	\$2 to \$6	\$5.52
	Central Pacific.	Western Pacific.	Total.	
Acres granted.....	8,000,000	453,794	26,029,534	
Amount realized on land sales to December 31, 1886.....	\$7,332,581	\$39,479,213	
Value of lands unsold.....	\$12,500,000	\$26,504,270	
Acres patented.....	1,040,210	447,768	5,327,538	
Selections pending.....	546,076	6,026	1,914,392	
Acres sold.....	2,444,120	13,751,827	
Acres unsold.....	5,555,880	12,615,087	
Acres sold and unpatented...	1,403,910	8,872,077	

Average price per acre..... \$3.00
From the act of July 1, 1882, it appears that Congress contemplated that five lines would start from points on the Missouri River, viz., Sioux City, Omaha,

THE NATIONAL ECONOMIST.

Saint Joseph, Leavenworth, and Kansas City; and that they would converge on the one hundredth meridian, forming a trunk line which would be built westward. It was also contemplated that the Central Pacific line would start from the Pacific slope and would meet the Missouri River road near the California State line. Subsequently, Ogden was made the point of junction.

By an act of Congress passed in 1866, the Kansas Pacific Company was permitted to pursue a generally western course, from Kansas City up the Smoky Hill branch of the Republican River to Denver, and to connect with the Union Pacific main line on a meridian not more than 50 miles west of Denver, instead of taking a northwesterly course and striking the main line at the one hundredth meridian. Because of this change of route the Central branch of the Union Pacific (which started from Atchison, Kan., instead of Saint Joseph, Mo., as originally contemplated, and which had been designed to meet the Kansas City line in the Republican Valley, as it proceeded in a northwesterly direction from Kansas City to North Platte) was left without connection, its subsidy in Government bonds having been limited to 100 miles. By designation of the President of the United States, the Sioux City line was also changed in its course so as to meet the Union Pacific line at Fremont, Neb., and about 42 miles west of Omaha, instead of at the one hundredth meridian. In 1870 the Western Pacific Company, which built a line from Sacramento to San Jose, Cal., was consolidated with the Central Pacific; and in 1880 the Kansas Pacific, which operated the line from Kansas City to Denver, from Denver to Cheyenne, and from Leavenworth to Lawrence (the latter intersecting the main line of the Kansas Pacific a short distance west of Kansas City) were consolidated with the Union Pacific Railroad Company into a new corporation called the Union Pacific Railway Company.

As will be seen from the law just quoted the Government was to have the first mortgage on the several lines, which, with other conditions, was presumed to make the debt good beyond question. In 1864 the law was amended so as to make the Government lien a second mortgage. The section containing the amendment is as follows:

Sec. 10. And be it further enacted, That section five of said act be so modified and amended that the Union Pacific Railroad Company, the Central Pacific Railroad Company, and any other company authorized to participate in the construction of said road, may, on the completion of each section of said road, as provided in this act and the act to which this act is an amendment, issue their first-mortgage bonds on their respective railroad and telegraph lines to an amount not exceeding the amount of the bonds of the United States, and of even tenor and date, time of maturity, rate and character of interest with the bonds authorized to be issued to said railroad companies respectively. And the lien of the United States bonds shall be subordinate to that of the bonds of any or either of said companies hereby authorized to be issued on their respective roads, property,

and equipments, except as to the provisions of the sixth section of the act to which this act is an amendment, relating to the transmission of dispatches and the transportation of mails, troops, munitions of war, supplies, and public stores, for the Government of the United States. And said section is further amended by striking out the word "forty," and inserting in lieu thereof the word "on each and every section of not less than twenty."

It has never been explained satisfactorily how this amendment was passed or its necessity. It is said, however, to have been a matter of "education," and to have cost the railroads several millions of dollars.

AMOUNT OF CURRENCY FROM 1854 TO 1866.

The following table is compiled from the most reliable sources of information obtainable, and shows the amount of currency per capita in the United States from 1854 to 1866. The amount of State bank circulation is taken from a report of the Secretary of the Treasury, and was published in tabular form in Hunt's Commercial Magazine for March, 1857. The amounts of coin are estimates made from the reports of the Secretary of the Treasury. The figures given may be considered as fairly correct, as much so as is possible to determine from the statistics of these periods. The population is reckoned by a certain per cent of increase that has been made use of by the best statisticians. In this calculation the population of 1860 and 1861 is put down as the same, owing to the unsettled condition of the country, but for the years 1862-'3-'4-'5 a large deduction has been made for the twelve Southern States, in which national bank notes and United States notes of any kind were practically excluded. These twelve States had a population in 1870 of 9,999,401. The war closed in 1865, but it was not until the year following that the Southern States made any great demand for any portion of the circulating medium. The population for 1866 includes both sections, and is given at 35,819,282, which is considered correct:

	Population.	Amount currency.	Per capita.
1854.....	26,090,860	\$444,689,000	\$17 04
1855.....	26,891,024	426,952,000	15 81
1856.....	27,797,730	435,748,000	15 68
1857.....	28,893,865	454,799,000	15 79
1858.....	29,776,846	395,208,000	13 27
1859.....	30,610,096	468,306,000	15 28
1860.....	31,443,321	482,102,000	15 33
1861.....	31,443,321	497,358,453	15 73
1862.....	24,000,000	544,786,208	22 69
1863.....	24,500,000	1,043,610,415	42 58
1864.....	25,000,000	968,059,995	38 72
1865.....	26,000,000	1,639,127,386	70 77
1866.....	35,819,281	1,863,409,216	52 01

It is interesting to study this table in connection with the theory that the amount of currency in any country establishes the level price for all the products of labor. When the present immense volume of business, extending over a vast expanse of territory and to a large extent done upon a cash basis, is compared

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with the period under consideration the necessity of an increased volume of currency is apparent. Then exchanges were sluggish and lines of credit frequently extended through the whole year. Now, nearly the entire profit in many branches of business is confined to the discounts upon bills. It will be said that the present system of exchanges are better calculated to facilitate business, and that checks, drafts, etc., take the place of currency, all of which is true; but these substitutes are expensive, and cost the people who use them millions of dollars each year. The proposition finally amounts to this: If \$15.33 per capita was required to do the business in 1860, how much is necessary in 1890? The people are determined to have more currency. That they will have it no one will need to doubt. When a united demand is made, as the present one appears to be, nothing will prevent its being given them. The question most important just now is, how shall it be got to them? Through what channels shall they receive it? The sub-treasury plan seems to present the correct method.

The Silver Problem.
BY OLIVER N. BRYAN.

The article in the NATIONAL ECONOMIST of the 8th inst., page 398, by Mr. Geo. M. Jackson meets my entire approval. If fraud there be, he does not demand enough to meet the emergencies of the farmers. Had the writer the fixing up of such petition, he would fix it up thus:

1. The free coinage of silver.
2. The remonetizing foreign coin.
3. Demand the surplus in the Treasury for the benefit of the farmers.
4. Paper made a legal-tender equal to gold and silver.

5. The sub-treasury plan.

This sub-treasury plan is going to be too slow a thing to meet the emergencies of the hour. The fastest way to bring relief to a distressed people is to at once distribute the surplus and remonetize foreign coin. Time and again has the writer suggested the aid of foreign coin as an immediate relief, without eliciting the sympathy of finance reformers. It is in strict accord with constitution. The demonetizing of foreign coin in 1857 caused a greater panic than this country ever endured for so short a time. We lost by failures \$293,000,000, with a population of only 28,000,000, while in 1878, with a population of 48,000,000 we lost \$262,000,000—difference of \$32,000,000. It is feared by some stupid reformers that we can have too much money; not so thinks the writer. We can not at this time have a surfeit of money. It is the only panacea against anarchy, into whose jaws capital is rapidly driving the nation. If this contest between capital and labor is not speedily settled, the republic of Washington and Jefferson must at once and forever go to the eternal bow-wows.

THE UNION BEE (HUMANSVILLE, MO.) WILL HAVE IT THIS WAY:

Any newspaper which recommends itself to the farmers by indorsing the system which impoverishes the people to enrich bondholders, national bankers, trusts and combines, is about as useful to the farmers as three tails to a dog.

A FINANCIAL HISTORY.

COURSE AND EFFECT OF LEGISLATION SINCE 1861.

No. 7.

Congress assembled December 7, 1863. Secretary Chase recommended increased taxation of bank circulation, and thought much of the greater part of the inflation was due to such currency. He was much gratified with the success of the Government notes as a currency, but thought it inexpedient to issue more of them. He reported that he had issued all the notes authorized, and had made the \$400,000,000 of interest-bearing notes a legal-tender as authorized by the act of March 3, 1863.

The act of March 3, 1864, was the first financial law of the session. Section 1 provided that the Secretary might make \$200,000,000 of the 10-40 bonds payable in five and due in twenty years. Under this section the 5-20's of 1864 were issued. These are the only 5-20 bonds which were made payable in coin by the act authorizing their issue. Only \$196,118,300 were issued under this act. Section 2 of this act authorized the Secretary to issue \$11,000,000 of the 5-20's of 1862 to supply the subscriptions in excess of the loan. The next law was the joint resolution of March 17, 1864, authorizing the Secretary of the Treasury to sell any gold in the Treasury in excess of the sinking fund and interest on the bonds, and he could anticipate the payment of coin interest not to exceed one year. The duties on imports at that time were about \$80,000,000, and the interest only about \$40,000,000. The result was a hoarding of coin in the Treasury. This made the Government the greatest "bull" in the gold market. The Secretary had already been empowered to buy gold at his discretion, he was now empowered to sell so that he could use the whole financial power of the Government to operate the gold market. The proviso with regard to the sinking fund gave rise to some debate. It was at this time that the question of coin payment of the 5-20 bonds was first raised. Some claimed that they were payable in coin at par. Others, among whom were Mr. Stevens and Mr. Kelly, denied this. The question was put to the Secretary of the Treasury by a correspondent, and he replied:

TREASURY DEPARTMENT, May 18, 1864.

SIR: Your letter of the 13th inst. making inquiries with regard to the kind of currency with which 5-20-year 6 per cent, and the three 7-30 per cent notes are to be redeemed has been received. It has been the constant usage of the department to redeem all coupon and registered bonds forming a part of the permanent or funded debt of the United States in coin, and the usage has not been deviated from during my administration of its affairs. All the Treasury notes and other obligations form part of the temporary loan, and will be redeemed in lawful money; that is to say, in United States notes or national currency, until after the resumption of specie payments, when they also will doubtless be redeemed in coin or equivalent notes. The 5-20's being payable twenty years from date, though redeemable after five years, are considered as belonging to the per-

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manent or funded debt, and also the 20-year-sixes into which the three year 7-30 notes are convertible. These bonds, therefore, according to the usage of the Government are payable in coin. The three-year 7-30 Treasury notes are part of the temporary loan, and will be paid in United States notes or national currency, unless holders prefer conversion to payment.

S. P. CHASE,
Secretary of Treasury.

Mr. Chase was thoroughly competent to render a valuable legal opinion on this point. He should have done so, as by that course he might have averted much of the uncertainty that subsequently proved so mischievous. He systematically, however, avoided giving a legal opinion, but stated that coupons or registered bonds had been paid in coin, and therefore he supposed they should be paid in coin. Authorized to sell 5-20 bonds at his discretion, he was so vigorous in his construction of the law that he refused to sell them at less than their market value until specially authorized to do so. But when called upon to interpret the legal-tender law that greenbacks should be a legal-tender for all debts, public and private, except duties on imports and interest on the public debt, he inclined to the opinion that custom [not law] decided that Congress meant that greenbacks should be a legal-tender for all debts, public and private, except duties on imports, and principal and interest on the public debt.

The next law to be notified in this place was the act of June 30, 1864. The first section authorizes a loan of \$400,000,000 for which the Secretary might issue bonds payable in not less than five or more than thirty, or if expedient, forty years, with interest at 6 per cent in coin. He might sell the same in Europe, if expedient. It will be observed that this act specifies the kind of interest to be paid. In view of the recent differences of opinion Mr. Brooks moved to insert the words "in coin" after the words describing the bonds. Mr. Hooper did not consider it necessary or expedient to do so, and the amendment was lost. Why it could be expedient to leave the matter in doubt can be easily understood. It would depreciate the value of the bonds. With the law and the equity of the case plainly in favor of greenback payment, capitalists would invest with the expectation of being paid in paper. Keeping it an open question, moreover, would furnish a pretext for the credit strengthening act. By the finance report of 1873 it appears that the bonds which were issued according to acts containing the words "in coin," sold for a premium, though nearly all of them drew but 5 per cent interest, while those issued without this clause in the law authorizing them sold at par while drawing 6 per cent—the interest on both being payable in coin. The second section provides that \$200,000,000 of this loan might be 7-30 notes, to run three years, and might be made a legal tender, but not in redemption

of bank notes. The Secretary did not make them a legal tender, however, perhaps because if made so they would be useless to the banks as interest bearing reserves. This section also contained this provision: "Nor shall the total amount of United States notes issued, or to be issued, ever exceed \$400,000,000, and such additional sum, not exceeding \$50,000,000, as may be required for the redemption of the temporary loans." This was nonsense pure and simple. It was attempting to legislate for the future and declare that a future Congress should not do what the present Congress had a right to do. It was but bungcombe legislation without force or effect, except to afford an argument about "pledge of faith to public creditors." The Constitution is the only law that Congress is bound to obey, and if in the exercise of its functions of borrowing, loaning, or regulating the value of money it becomes necessary and proper to issue more, it can and ought to do so. Such a clause would not amount to a straw, except to aid designing knaves in deceiving the ignorant. Congress can make no law that it cannot repeal whenever it sees fit, and it is in duty bound to repeal any law if it becomes necessary and proper to do so in order to accomplish the object for which the Government was formed. Section 3 made a present of semi-annual payment of interest to all holders of bonds heretofore drawing annual payments. It also repealed the law authorizing the bonds of 1863, except the \$75,000,000 already advertised. If they really meant to pay all the bonds in coin, why should they stop the issue of bonds which, by virtue of the certainty of such payment, were drawing but 5 per cent interest? Section 4 authorized the Secretary to receive national bank notes as temporary deposits, and raise the interest on such deposits to 6 per cent at his option. It raised the limit of such deposits to \$150,000,000, the Secretary being authorized to hold a reserve of \$50,000,000 for their redemption. Under this arrangement a bank could deposit bonds bought with paper costing less than 50 cents in coin to the dollar, and draw coin interest on such bonds at 6 per cent, which would be over 12 per cent on the actual investment of coin. It could then deposit the currency received and draw 6 more on that, being an additional 5 4-10 per cent on the original investment, making over 17 4-10 per cent in all, for which the Government would inflate the currency with bank notes instead of its own. This was over 11 4-10 per cent for absolutely nothing, except to persuade somebody to organize national banks. Section 13 defines the words "obligations or other security of the United States" to include and mean national bank notes. Bank notes are not obligations of the United States, but are obligations to promote corporations which have received United States indorsements. The

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United States gains nothing from these notes, and there is, therefore, no reason why they should not be taxed. Private property should not be exempted from taxation because the Government gives it indorsement.

The bill contained a provision that all banks, treasury notes, and other obligations of the United States should be exempt from all taxation by or under any State or municipal authority. This provision was objected to on the ground that it would include legal tender notes, certificates of indebtedness, and interest-bearing treasury notes, or, in other words, it would exempt from taxation the entire floating wealth of the country, except the notes issued by the national banks, which it was claimed would inure to the benefit of no other class of people than wealthy capitalists, the great mass of the people having no United States securities. It was said that a capitalist would be able under this act to withdraw all his means from State and municipal taxation, and thus make its burdens fall heavier on the poorer class. The policy of exempting any bonds whatever from taxation was severely commented on, and it was asked where the Federal Government obtained the power to make such exemption, no attempt having been made to exercise such power until the passage of the act of February 25, 1862. It was suggested by one member that it was possible that the bonds could not be taxed even if not specially exempted, and that it would be well for those who thought they should not be exempted to move to amend the bill and affirm the right of the States to tax the bonds of the general Government.

It is worthy of note that not one of the speakers who debated this question referred to the fact that it had long before been decided by the Supreme Court of the United States. In the case of Weston *et al. vs. The City Council of Charleston* Chief Justice Marshall delivered the opinion of the court, from which we quote as follows:

Congress has power to "borrow on the credit of the United States." The stock it issues is the evidence of a debt created by the exercise of this power.

The tax in question is a tax upon the contract subsisting between the Government and the individual. It bears directly upon that contract, while subsisting and in full force. The power operates upon the contract the instant it is framed, and must imply a right to affect that contract. If the States and corporations throughout the Union possess the power to tax a contract for the loan of money, what shall arrest this principle in its application to every other contract? What measure can Government adopt which will not be exposed to its influence?

But it is unnecessary to pursue this principle through its diversified application to all the contracts and to the various operations of Government. No one can be selected which is of more vital interest to the community than this of borrowing money on the credit of the United States. No power has been conferred by the American people on their Government the free and unburthened exercise of which more deeply effects every member of our republic. In war, when the honor, the safety, the independence of the nation are to be defended, when all its resources are to be strained to the utmost, credit must be brought in aid of taxation, and the abundant revenue of peace and prosperity must be anticipated to supply the exigencies, the urgent demands of the moment.

The people, for objects the most important which can occur in the progress of nations, have empowered their Government to make these anticipations, "to borrow money on

the credit of the United States." Can anything be more dangerous, or more injurious, than the admission of a principle which authorizes every State and every corporation in the Union which possesses the right of taxation to burthen the exercise of this power at their discretion?

If the right to impose the tax exists, it is a right which in its nature acknowledges no limits. It may be carried to any extent within the jurisdiction of the State or corporation which imposes it which the will of each State or corporation may prescribe. A power which is given by the whole American people for their common good, which is to be exercised at the most critical periods for the most important purposes; on the free exercise of which the interests certainly, perhaps the liberty of the whole may depend, may be burthened, impeded, if not arrested, by any of the organized parts of the confederacy. * * * *

The tax on Government stock is thought by this court to be a tax on the contract, a tax on the power to borrow money on the credit of the United States, and consequently to be repugnant to the Constitution (Peters' Reports, 1729, vol. 2, page 465).

The Line of Reform.

There are some facts that I would like to call attention to, and one of the first is that of education. To do this successfully, to lead the people to think for themselves, should be the one great object sought for. The leading questions of the day should be published in pamphlet form, and sown broadcast throughout the land; written in plain, easy language, that all might understand without an interpreter. Plain advice on the tariff question, both sides of the subject; free trade and protection laid bare; no need for long comment; state the facts, that's all. Then look after internal revenue; show up all its features; if good, state them; if to the reverse of good, show the proofs so that the reader may form a correct opinion. Above all else direct attention to the manner in which the Government deals with the people. The money, where it comes from, and how controlled, and who by. The aims, ends and true object of money, the power that gives it value, etc. Leaves on railroads, telegraphs, and post routes; navigation, how controlled; the products grown from the soil by the farmers, and their value; mines, how developed and worked; wages paid for all classes of work and professions, how paid, and what paid in; hours of work done by the mechanics and working class in both field and shop; pamphlets written on the advantages of reading clubs; touch up the subject of temperance.

In the line of reform, direct success begins by educating the people to see and think, then there will be no fear of a break in ranks. THE ECONOMIST has command of many able writers for the work; parcel it out to them that an early school may open to the many thousands of scholars now awaiting impatient and eager to enter the school of advanced thought. A leaflet on money—it is useless in this short paper to go over ground with lengthy statements showing how money is created, and why so. What the working class desire most is a cheaper rate of interest, more money in circulation, which can be had by making silver and greenbacks a legal tender for all dues, imports, etc., and by paying off all outstanding bonds and debts against the general Government. Silver should be the standard, not gold. If the silver dollar or certificate is good enough for the farmer or mechanic, why not the bondholder also? The Government should loan money direct to the people, not as now, for the banks to grow rich on, but through its agents, the postmasters.

HAASVILLE, I.A.

W.

THE NATIONAL ECONOMIST.
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SUBSCRIPTION PRICE, - - - - ONE DOLLAR PER YEAR.

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

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

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

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

SUBSCRIBERS ordering a change of address, or renewal of subscription, should state the old as well as the new address.

THE NATIONAL ECONOMIST Almanac is sold at 15 cents per single copy, post paid, or 12½ cents per copy in clubs, regardless of number.

IN remitting always state whether in payment of previous orders or a new order. For example, an inclosure "for almanacs" may be intended for a previous order, and confusion be caused.

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 sent care should be taken to make it impossible for them to adhere together, and only the one-cent denomination inclosed.

HARRY TRACY's great lecture, delivered in Texas, and published in THE NATIONAL ECONOMIST of February 1, 1890, is now offered the public in pamphlet form, as follows: 10 copies, 25 cents; 50 copies, \$1.00; 100 copies, \$1.75, 1,000 copies, \$15.00. Delivered to any address postpaid.

ONE YEAR OLD.

THE ECONOMIST has passed the first year of its existence, and with this issue enters upon its third volume. It is a matter of congratulation with all connected with it, that it presents an instance of unexampled success in securing circulation as its sphere widens by consolidation and confederation of labor organizations. It is evident that its publication and distribution will tax the lately enlarged capacity of the plant. So plain is this, that a constant estimate of future additions must be kept in mind, and it is never forgotten that more room, more material and more workers will be needed to meet the claim of an ever increasing and widespread interest in the subjects which it discusses from week to week.

When the paper was established few acquainted with the facts but thought it doomed to failure. All-

most outside the territory in which the organization it represented existed, in a city hitherto regarded as the most unpromising field for journalism, and where there were neither advertising nor reading patrons to be expected, it was presumably the least available field for the purpose in the country. But realizing that the Capital of the country was the true seat of economic investigation, the projectors entered the field determined to earn success by making THE ECONOMIST a leader in thought and the dissemination of the truth underlying both the order which it represents and the government under which it exists. The wisdom of the selection of location is shown by the demand for the paper in almost all the States of the Union, and the promise is ready that another twelve months will see a circulation compared with which the present edition changes position relatively with that with which THE ECONOMIST was started. There is but little expectation of extended advertising patronage, as it is not desirable to infringe upon the space intended for readers with standing matter of any kind.

The present number is changed quite materially in make-up and size, being made better for binding and more convenient in several ways. Advertisements will be confined to the supplement and cover, and the sixteen pages of the regular number will be suitable for binding and preserving without the surplus which is of only temporary interest.

There has been some necessary delay in getting to press, which throws the paper behind the intended day of publication, but with new fast presses and added material that will soon be overcome, and the idea of placing it in the hands of every subscriber on the day it is dated as nearly carried out as possible.

Now, as to the changed form, just look at her! The columns are wider, there are more pages, and she has grown and developed healthily. Neat as a pin, trim, with a clearly printed face, as a model of newspaper make-up she goes out to her hundred thousand readers, expecting an affectionate welcome from all, with the assurance that there will be lover-like praise from many to whom she is endeared. To all she is presented as one year old past.

EVER since Congress convened the two old parties have been trying to agree upon some issue for the coming political campaign. It has been a matter of absolute indifference what the issue might be if it did not touch upon the question of finance. So far these efforts have been without satisfactory results, because the people, instead of taking sides as usual, failed to respond, and began to ask bothersome questions. If there is any thing either of the old party leaders are afraid of, it is information regarding the past, and the probabilities of redress in the future. At one time it looked as though the annexation of Canada would be

the theme; that having died out, the Pan-American scheme came to the surface; this also failing to materialize, the only recourse left was one of the old threadbare, worm-eaten political warcries of the past, the tariff, the bloody shirt, or the negro. Just which one of these would have been chosen is difficult to determine, as they were all being carefully examined for that purpose. At this juncture, the sub-treasury plan was introduced, and at once the vexed problem was solved. That the sub-treasury system will be the leading economic question, both in and out of Congress, for some time to come, only those who are not posted in the matter will have reason to doubt. It is receiving, at this early date, more attention from the people than all other financial legislation on the statute books received at the time of their passage. This is true because nearly all the legislation regarding finance during the past quarter of a century was formulated in secret committee, and rushed through Congress without proper debate. Not so with the sub-treasury proposition. It was adopted by a large convention representing nearly two-thirds of the States. It has been published far and wide, and petitions for its adoption were received long before the bill was introduced in Congress. In the discussion which is surely coming regarding its merits, organized labor is going to be respectfully heard and justly treated. There is not the least doubt of this. The signs of the times are big with such indications, and those in authority will be quick to realize the situation and accept the inevitable. A series of criticisms and inquiries has been set in motion that can never stop until labor in production shall have its just reward. There are three millions of people who meet weekly or fortnightly and discuss their condition and these propositions. There are more than one thousand newspapers teaching and advocating these reform measures, while hundreds more are giving them respectful and earnest consideration. All the leading magazines and periodicals contain articles upon this subject that a few years since would not have been received. But the greatest educators of all, stern necessity and the logic of events, are just now lending their powerful aid; the one through the empty coal bin, the empty flour sack and the ragged coat, the other by the reasonable conclusion that if labor had its reward in the past it is entitled to it at the present time; that the Creator never intended that man should suffer for the necessities of life while his hands could aid in production. None but the unwise will doubt that the efforts of all these agencies will be in vain. The hopeful, honest, and earnest reformer will now take fresh courage and work more vigorously, believing that in the near future lies the fulfillment of his most cherished desires.

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. 47.

THE DISTRIBUTION OF PROFITS.

Closely akin to the function of competition in regulating the distribution of effort is its work in establishing not only an equitable division of profits among the various departments of commercial and manufacturing enterprise, but in distributing among the members of each branch of industry the profit or reward due to the intelligence, skill and application of each. This work of competition is so closely related to that considered in the preceding article as, in one respect, to form a portion of the same work, each part holding to the other a double relation of cause and effect. The force which distributes to the various fields of enterprise the capital and effort of the nation in natural and equitable proportion, will secure to each a natural and equitable proportion of the increment of wealth and property resulting from the labors of the community. *Vice versa*, the force which establishes an equitable division of the profits or growth of material wealth, will secure to each industry its rightful proportion of capital and labor. But beyond that, there is a direct action of competition in regulating the profit of each industry, in proportion to the skill, enterprise and application of its members, and also in proportion to the degree of those qualities required for the successful prosecution of each kind of enterprise in relation to the other. This effect of competition appears most plainly in its direct action, and is inherent in its varied character and effect. The natural result of free competition, is to reduce the profits of any class of business where the margin of profit in the first place is above the average of the mass of industry. On the other hand, it is no less a natural result of competition, although frequently lost sight of, that it will increase the margin of profit in any class of industry where that margin is below the average maintained for the whole bulk of material enterprise. Take the first effect of competition just stated, and every one can perceive its operation. If a merchant is selling to his customers an article which costs him one dollar, and is getting three dollars for it, he may be able to maintain such a margin of profit so long as he has no competition. The moment that the force of competition reaches the sale of the staple, whatever it is, at that moment the work begins of reducing the margin of profit to a reasonable limit. The first step of

the competitor will probably be to reduce the price of the article to \$2.50, on which he gets the very liberal profit of 150 per cent; the other competitor, knowing that such a reduction unless counteracted will take away his business, inevitably responds by reducing his price to \$2; and this operation of competitive reduction of prices will continue in exactly the proportion to which competition is free and unrestrained, until a level is reached that represents the average and reasonable profit for which the bulk of commercial intermass of industry is willing to engage in business efforts.

The margin thus fixed as the reasonable one, is subject to infinite variations in proportion to the skill required in its prosecution, or the hazards encountered in carrying it on. An industry in which the works are liable to be burned up every year or two, with all the stock contained in them, inevitably requires a larger margin of profit than one in which there can be little or no risk of loss. The reward required for a business or profession which requires especial education and technical skill, is of course greater than that which is just for one which involves no special preparation, and only a comparatively unintelligent application of mere strength. It is on this principle that it is just for a physician or an engineer to demand higher compensation than a common laborer, or for a skilled laborer to require better pay than one who merely shovels dirt; yet this, even this distinction, is subject to remarkable variations. It has lately shown, in the manufacturing section in which this is written, that the pay of school teachers in the rural districts of Allegheny County, Pa., is slightly less than the pay of common laborers about the mills and mines of Pittsburgh. This seems anomalous, and yet when we examine it closely, we can perceive the elements of economic justice in it. It means that, though greater preparation and education is necessary for school teachers than for common laborers, the number of those in proportion to the amount of work required, who prefer to accept the light and comparatively pleasant labor of school teaching, is greater than the number in proportion to the demand for common laborers who are willing to undergo the fatigue, and toil and grime of heavy and disagreeable work, therefore the greater reward due to the special preparation for school teaching is overcome, and a slightly lower rate for that profession as compared with common labor, represent the common willingness to accept lower wages for the more attractive vocation. However the infinity of causes bearing upon the charges for services or staples may operate in reducing or raising the cost of any article or work, the justice of the price fixed by free competition always appears in the fact that it is the price for which the mass of people engaged in

that especial industry are willing to perform the services rendered, or to produce the staples sold.

On the other hand, let us suppose an industry by abnormal or uneven causes to be reduced to a position where the margin of profit or the reward for services is below the average. We have already pointed out that in such case the movement of individual effort and of capital into such a department of effort would be stopped, and its output naturally restricted until, by the growth of other departments, or by the scarcity of its product, its profits and prices are brought to an equality with the rest. But there is even a more direct action in the demand which will tend to raise the prices of the depressed industry until it reaches an equality with the rest. In other words, the competition of demand, if it is not subjected to abnormal interferences, results in raising the price of articles which are sold below the average margin as surely and as naturally as the competition of supply tends to reduce those that are above the average. This is generally recognized by the principle that when the price of a staple is cheap consumption is increased. But what is cheapness except the expression in dollars and cents of the exchange of a greater quantity of a given staple for other staples than is accepted in the average exchange of products? The comprehension of this working of competition may perhaps be more generous if stated simply to be that cheap prices increase consumption, and the increased demand tends to restore prices to the average. But for a thorough understanding of the influence of free competition in the distribution of profits and prices, it is important to recognize that this only means that in the exchange of products the competition of those who have products to exchange for a given staple is as direct a force in sustaining the commercial value of that staple at a fair margin of profit as the competition of those who furnish that staple is in keeping it down to the same fair margin.

Here, then, we have a force which, acting equally on both sides, regulates the distribution of the rewards of enterprise, fixes the prices, and establishes profits in accordance with the average due to every class of enterprise, according to the qualities required in each. This is the operation generally described by political economists as that of demand and supply; but the principle which the economists often forget to enforce is that in order to secure the equitable operation of both demand and supply, both forces must act under free and full competition. The moment competition is restricted, either on one side or on the other, the equality of the distribution is disturbed. If competition is restricted in demand, the competition of supply will reduce the reward on that side. If the competition is restrained in the supply

of an article, those who purchase it, being competitors for the purchase, will inevitably give more of their products in exchange for that staple than they would if the competition were free on both sides. This is the cause of the vast majority of the economic inequalities now existing in our industrial system. With a view to a further demonstration of that important fact, it is only necessary now to recognize that, when demand and supply are equally free, when there is the same competition among sellers as among buyers, the prices fixed by this unobstructed influence of competition are sure to maintain the values at which products are exchanged, and the profits which industry draws from each particular department of effort at the level fixed by the universal willingness of industry to compete as the proper, natural and legitimate reward for effort and industry.

Let us now inquire what other system there could be for regulating the prices of the various industries and distributing their profits and rewards upon a natural and legitimate basis. First, take the socialist theory that the rewards of industry must be equally distributed by the decrees of the government or community among all the people engaged in individual effort. The purely communist form of socialism would decree that each worker in a community is to receive an equal share of all the products which that community or nation shall produce, or may receive in exchange for its products. But this at once establishes an abnormal and disadvantageous condition of things. The farmer needs more of a certain kind of food than the clerk or professional man; the miner requires a different class of clothing than the merchant or herdsman. To give exactly so much of each product to each individual would give the books which the student or scientist needs to the laborer or mechanic who cannot use them, and to award the hearty food and strong clothing required by those who do hard labor or work in mines and quarries to the people of sedentary vocations where those rations would be absolutely useless.

If you depart at all from this principle of absolute equality in distribution on the basis of pure communism, you commence the operation of establishing a distribution in accordance with individual needs and capacities. This can only lead to a system of a unit or measure of value by which each individual can purchase what he needs with the medium of exchange which he received as the representative and result of his labors.

Suppose that the medium of exchange known as money is adopted, but the principle of socialism is retained by a governmental declaration of the prices which are to be received for every service or staple. Does any one suppose that such a legal regulation of prices could work with one-half the natural justice

that the natural force of competition establishes? Indeed, is there any reason to expect that such a legal enactment of prices and profits would take into consideration the justice of the distribution in any respect whatever? Would not the enactment by government be reduced simply to a contest among the various interests as to which could secure from legislation the largest amount of profit? Is it not absolutely certain that the interest which holds the largest amount of political power would get the greatest proportion of profit from the legislation; that holding the second degree of power the next greater proportion, and so on, until the classes which have little political influence, either from their numerical weakness or from their ignorance and liability to be deceived, would be compelled to furnish their share of the staples of production for an even smaller return than they can get under the free action of competition? There is no reason for expecting that socialism can eliminate selfishness from mankind. It would be just as pleasant under socialism as under the present system for a man to have a larger amount of clothing and a more abundant supply and variety of food than his fellows; and the means for gratifying that selfishness by exerting influence upon the power which distributes the reward of industry would be more direct and more within the reach of the unscrupulous and cunning, if that distribution was made by the legislative power, than where it is made under the influence of a natural force with the normal result of practical equality.

Turning from the inflexible and utopian socialistic idea to the theory of restraining competition and regulating prices by trusts and combinations, let us see what has actually been done. One industry by devices of its own, or by the perversions or errors of legislation, succeeds in abolishing competition in the sale of its own staple, while competition continues in force in the vast mass of industrial effort. The moment that is accomplished, the equality of the force regulating prices is disturbed and falsified. The industry which succeeds in abolishing competition gains an advantage which is at the cost of all other industrial workers. Without competition, it can fix its prices at a level which yields a margin twice or thrice the average that would be assigned by free competition. With no other competitor in the purchase of the supplies that are needed for its business, it can reduce the prices for those materials, and the competition of those who have the materials to sell will force them to accept whatever prices it may choose to name. The result of such an unequal competition is to throw its whole force upon one side of the operations of purchase and sale, and to give to the other side such an advantage as enables it to absorb the great mass, if not all, of the profit, or growth of material wealth,

To whatever degree this abolition or suspension of competition in favor of one industry is accomplished, to that degree it increases the burden of competition upon all the rest of industry, and gives to the favored class an undue proportion of the rewards of effort.

This takes away that fundamental principle which makes commerce a benefit and a blessing, namely, that both parties to a commercial transaction shall gain by it. This principle, which is the great justification for the modern system of trade, is often lost sight of; but it is, nevertheless, the most vital one, as the foundation of all business ethics. I have earned money which represents my labor, and need clothing; you have clothing which you have made and wish money. So long as I can buy my clothing of a hundred others, or you can sell clothing to a thousand others, the result will be that the price at which I buy from you will be the fair one fixed by competition; and we will both be gainers by the transaction. But if some jugglery, either of the market or of the law, enables me to enact that you shall sell clothing to no one but me, while I can buy clothing of any of a hundred others, the result will be that I can force you to sell the clothing at whatever price I choose to make, and thus make you serve me for an insufficient reward and return. This illustrates by a single case, the result of a vast variety of methods in which the abolition of competition enables the favored person to force the service of the masses in a way that deprives them of their fair earnings.

The second point, therefore, with regard to competition is summed up thus: free competition establishes the most equitable and honest distribution of the reward of profit; the abolition or suspension of competition means an uneven division of profits, and a seizure by those who obtain the advantages from the suspension of competition of more than their just share of the wealth produced by industry and commerce.

A RESOLUTION will soon be introduced in Congress demanding an investigation regarding the bond forgery. All letters and resolutions relating to such action may be sent to THE ECONOMIST. Everything of that character would be of great service in this undertaking. It is believed by many that a great wrong has been perpetrated, and that nothing short of a rigid investigation of the whole matter will be satisfactory. Such action is due both to the people and those persons who are responsible for the present status of this piece of legislation. Let the light be turned on.

THE ECONOMIST was visited this week by J. W. Reid, secretary of the South Carolina State Alliance; also by D. F. Allen, of Allentown, Alleghany county, New York, who is now to assume the work of organizing in that State. Both brothers attended the meeting of Capital Alliance Thursday evening.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

THE NUTRITION OF PLANTS.

We have before us several letters from our readers making specific inquiries as to the best manures for particular crops and the best mode of applying them. Such a question as "what is the best manure for corn, and how should it be applied?" is not answerable, except upon data which can not probably be furnished. The correct answer will vary with the soil, climate and particular season. It might be said in reply corn is a plant rich in potash, therefore potash is the best manure for corn. But suppose the soil, as is the case with the writer's own farm, consists of decomposed granite, and a very large percentage of it is visibly feldspar and mica, both minerals very rich in potash. In such a case to buy potash to manure any crop grown on that soil would be an obvious waste of money. If you have more corn than your cattle can consume, will you buy more corn still to feed them on? If you have more potash in the soil than a thousand crops can take out, leave to those who occupy a thousand years hence to buy the potassic manure. If there is an analysis of the soil submitted with the question, what is the best manure for corn? there still remain the question of availability, or combination and condition of the soil constituents, which can not be inferred from the data furnished by an analysis, and the variable factors of rainfall, dew, heat, sunshine, hygroscopic and hydrostatic water. Also the question what went before the corn, grass, wheat, or a corn crop. It may be said in general that the best manure includes of course the question of economy; that is to say, what is the manure which will yield the greatest increase of crop for each dollar's worth of it applied to the land, and this includes an estimation of prices current, freights, hauling and labor applied to the land. In many cases the best way to prepare for corn is to feed stock on a piece of run-out pasture land, but there are cases in which feeding stock may be attended with a loss on the food consumed greater than the value of the increased yield produced by the manure. This shows that what is theoretically sound may prove erroneous in practice. It proves the futility of giving advice as to farm practice in particular cases under the influence of chemical views.

In general, if there is any profit at all on the feeding of stock, it is the easiest and safest way to get manure. If a farmer feeds corn and bran and cotton seed and linseed and hay and fodder, and even ensilage, he need not fee a chemist to analyze the manure to see whether the cattle are cheating him. If the question of our friend is insisted on in its categorical form, "what is the best manure for corn?" we think the reply most generally correct, or most apt to be correct in farm practice, would be the manure of well-fed animals fed on the land, or if fed in yards, then the manure to be protected from loss by leaching and hauled out on the land before ploughing under, or on the fresh ploughed land and harrowed in, which details of practice would vary according to the particular circumstances of the case. The long and the short of it is, that a skilled and judicious

practical farmer may greatly improve his practice through scientific information applied under the guidance of experience, but a mere chemist is no farmer. In the matter of commercial or chemical manures we think the safest plan is to adhere as closely as may be to natural products in preference to manipulated articles. There never was a manipulated manure equal to old A1 Peruvian guano. There is probably not now any manipulated brand on the market equal in value to raw ground bones, the bones being of recent origin, and not having been steamed or so treated as to destroy their organic matter, nor left so long exposed as to cause its destruction by putrefaction and decay. In that case it is proven that the phosphate of bones is not superior to mineral phosphate. It is better in any case to apply chemical manures in drills or hills than to apply them broadcast. A regular rotation of crops in mixed husbandry, involving the use of, and supported and sustained by green fallows, animal manures and commercial fertilizers, is the best result of science applied to practice in modern agriculture.

THE ROOTS OF CROPS.

Not only are farmers to a large degree ignorant of the extent of the root surface of different crops and of the depth of the principal ramifications, but they are in an equal degree uninformed as to the time of most rapid root development, which is also the time of most rapid and vigorous assimilation of food by the crop. In England they seed their wheat nearly at the same time that we do in this country, but our harvest is in June, theirs in September. As the period of winter suspension of growth is about the same, it is clear that the American wheat crop must absorb and assimilate its food supply in one-half the time occupied in those processes by the British crop. It may safely be inferred that the best fertilizer for our crop may not act well in the practice of the British farmer. It is also probably true that the whole extent of root surface produced by the English wheat crop is much more extensive than that of the American crop. Hence the fertilizer for American wheat ought to be in a condition for more rapid absorption and assimilation than is the case with the English crop. That there must be great differences in these respects in different parts of America is essentially true, but data of any value for exact comparison are lacking. These considerations bring clearly into view the folly and absurdity of all attempts to treat problems in plant nutrition as purely chemical questions. It would be equally misleading to treat them as purely physiological questions, seeing that the alimentary materials of all plants are purely chemical bodies. The science of this whole subject will evidently have to be restudied and rewritten, and in the meantime dogmatic assertions are not in order.

A GOOD VENTILATOR.

To assist in the ventilation of a sick room or of an ordinary sleeping room small rectangular frames covered with cheap coarse cotton cloth, to fit across the top or bottom of the window, answer an excellent purpose. Such frames of different widths and variously covered according to weather are very useful things to keep on hand. If the weather is cold, and especially windy, both sides of the frame may well be covered. If very warm, mosquito bars may be substituted for cotton cloth. Thus direct and dan-

gerous currents may be avoided and dust excluded. Nor will the difficulty of maintaining a uniform temperature be at all materially increased. For this purpose cotton cloth may be very advantageously substituted for wire gauze as being much more useful and at the same time greatly cheaper. False doors and sash so covered prove very useful about barns and stables, fowl houses and dog kennels. They may be used to secure fresh air and exclude dust, flies, cold draughts, or excessive heat and glare, without excluding plentiful light. Fancy poultry are now extensively shipped in skeleton cages over which is stretched coarse cheap cotton cloth. If used to assist in the ventilation of a sick room or hospital ward where there is dangerous infective disease the cloth covering these frames should be kept soaked in strong disinfective solutions, which would be an additional protection and safeguard for passers by. This simple means has the great merit of cheapness and being everywhere at hand. It is at the same time fully as efficacious as many patented arrangements which are costly and cumbersome, requiring for their successful management a well skilled sanitarian or even a professional engineer. Many persons are so sensitive to cold, and to draughts or currents of air, that they are afraid to raise or lower the sash in their sleeping room even a fraction of an inch. There are persons also excessively apprehensive of exposure of the sick to cold or damp fresh air. The unnecessary fears of such persons may be quieted and the superlative advantages of fresh air gained by the device suggested.

THE COMMON SCHOOL.

A writer in the American Farmer of March 1st gives as the curriculum of studies put upon a fourteen year old girl in a public school, "elements of synthetic chemistry, biology, physiology, neurology, theology, navigation, civil engineering, pneumatics, telegraphy, oratory, Egyptology, Greek art, athletics, aesthetics, anæsthetics, and ethics." No nonsense could by possibility be more entirely absurd and ridiculous. The meaning of this monstrous foolishness is that this school is a machine, which is manned, or womanned, as the case may be, by a professor of every one of the ologies, and atics, and etics, and to make pretense of teaching this lot of stuff somebody or something must be had to make pretense of teaching it to. This machine must have something else to grind or must itself be ground. This is the way hysterics, and lunatics, and idiots, and drunkards, and criminals are being so multiplied in this country. Now, it may be supposed that if that child misses a lesson in any of those ologies she will be given a practical lesson in demonology by being brutally flogged. But gross and cruel as the outrage of such a flogging, devilish as it is (twenty-eight thousand at one school session in Boston), it is not to be compared to the satanic cruelty of the mental task imposed by the machine to which the child is driven by these brutal beatings. Small wonder that asylums, and jails, and houses of refuge, and hospitals are filled. Small wonder that, as the outcome of such a system, dance houses, and brothels, and opium joints, and all haunts of vice and dens of infamy are overflowing full of human wrecks. On several occasions it has been the melancholy duty of the writer to commit to an asylum school girls broken upon that wheel

of venture, over strain. The extravagant follies of such a system can not be too severely condemned. The strange inhuman indifference of parents to the maltreatment of their children must in charity be attributed to their failure to understand the truth.

WHAT FERTILIZER FOR OATS?

In reply to this question of one of our readers, we suggest that the greatest yield of this crop, both of grain and straw, of which the writer ever had personal knowledge was produced by old Al Peruvian guano, a very highly nitrogenous manure. It is evident moreover, that from the short season of growth the oats must have its nitrogen in some form readily absorbed and assimilated. It may be generally expected that good commercial manures will prove more beneficial to the oat crop than the slowly acting farm yard or composted manures. Theoretically nitrate of soda should act on oats with greater energy than perhaps any available commercial form of nitrogen. In our climate, however, and with our soils, it seems that none of the small grains do well unless the soil is pretty fully supplied with organic matter, nor do the acid phosphates seem to do well with us on soils poor in organic substance. A corn stubble, the land having been in sod turned under for corn, with farm yard manure applied to the corn, broken for oats, to be dressed with sodium nitrate, would be good practice. Not much has been heard in our American farm practice about applying manure to a previous crop for the benefit of that which is to come next in the rotation. The British practice for wheat is to apply the superphosphate for wheat to the preceding turnip crop; at all events whether the intention be that the wheat shall get the benefit of the superphosphate that goes on the turnips, they do not apply superphosphate to wheat. Their wheat land has been fed on and manured from the yards until it is full of organic matter, and no manure is applied directly to wheat unless as spring advances it seems to lack nutriment, and in that case it gets a moderate top dressing of sodium nitrate, probably the most assimilable form of nitrogen. A condition precedent to the most successful use of commercial manures with us, will be found to be that the land shall be plentifully supplied with organic matter.

THE COTSWOLD SHEEP.

The brief sketches of the origin and history of different English breeds of sheep, is intended to be preliminary to some general remarks on the improvement of the native sheep in various localities in this country, in connection with the utilization and improvement of the outlying old fields of the older States, and of the great sheep ranges wherever found. The Cotswolds is one of the most famous of the long-wooled breeds of England which has been very extensively imported into this country. It is a sheep of large size without that degree of coarseness which characterizes the Lincolns. In its pure bred form this breed is remarkably handsome and attractive, but according to the writer's experience lacking in hardihood. The fleece, which is very fine and silky and beautifully white, has a length of staple averaging nearly a foot. This fleece parts evenly along the back, and spreads over the sides in such a manner as to expose the skin along the back directly over the spine, and we have seen this trench filled from the top of the head to the end of the tail with a solid

cake of ice for several days at a time. On other occasions we have known fat ewes and wethers to get turned on their backs in pasture being wholly unable to get up, and on several occasions have known them to die in that position. We can not regard pure Cotswolds, therefore, as good plantation sheep, and to turn them upon the range would be wholly absurd. In crosses, the breed is strongly prepotent. We have seen sheep the offspring of the Cotswold ram and the Merino ewe which could easily have been passed as pure Cotswold. In crosses, therefore, of hardy compact native sorts, robust Cotswold rams not above medium size promise well. The Cotswold breed takes its name from the Cotswold range of hills where it was originated far back in time beyond the days of the famous Bakewell, and it has not received its modern form by any fresh infusions of blood from any other breed, a fact which accounts for its prepotency in crosses. The remarkable breadth across the back in this breed already referred to, is one of its most striking characters. The briskets projects forward from between the forelegs very much as it does in the short-horn ox, also from large accumulations of fat the rump seems to overhang the tail. In fact, the details of the form in this breed of sheep are nearly identical with those of the short-horn, on a scale of about one to four. In a good-sized typical flock of pure bred Cotswolds, including all ages and both sexes, the fleece will average about nine pounds. Selected sheep fed for exhibition show very heavy weights, and fatted ewes have averaged seventy pounds per quarter, dead weight, but the average of a fair flock in fair condition on plantation keep would not exceed forty pounds per quarter, dead weight.

FARM EXPERIMENTS.

The current number of the Southern Planter recommends in strong terms the utility of experimental plots on each farm to test the value of different fertilizers, different modes of culture, and different seeds. There can be no question of the fact that even our best and most successful practical farmers are working very much at random in many respects. Accurate data are almost wholly lacking for their estimates. The great difficulty to be encountered is that untrained persons who attempt to try scientific experiments are extremely apt to be misled by their own results. Another difficulty is that such experiments involve a great deal of work, and they take up in supervision so much of the precious time of the farmer whose eye is needed in so many places. The labor, supervision and direct cost of any, even the simplest set of experiments, is necessarily considerable. Yet there is no doubt there exists a necessity for them in the practice of agriculture as a profession. The results of the public experiment stations may be and will be misleading in many respects if application is to be made of them in a different locality and on different soils, even in the same immediate vicinity. And when the attempt is made, as has been largely done, to import methods and results from far distant localities, even beyond the seas, failure and disappointment are very certain to follow. In our ordinary farm practice experimental fields and plots undoubtedly ought to have a regular place. The results obtained should in every case be carefully recorded for future guidance and for publication if of sufficient value to be useful to other workers in the same field.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

Dexter (Kan.) Free Press—these are the most dangerous enemies to reforms:

The Alliance has many true friends outside the order and scores of pretended ones also. The real genuine friend is hoping from the very bottom of his heart, for the success of the order, while pretended friends through policy, are caring but little how soon the order goes to the four winds, just so they have got what they have been looking for, through their cloak of pretense. They will advocate (for the sake of popularity or financial gain) the great good to come from the organization, but at the very first opportunity, if they think they can gain a little notoriety or political ascendancy, they will give the order a shot direct from the shoulder, or over the head of some one else who through prejudice or being misinformed as to the purposes of the order has given it a blast. Those self appointed friends of the Alliance, who are working in secret to destroy confidence, are a detriment to any organized class of people and should be watched and let severely alone.

Carolina Banner (Tarboro, N. C.) ; only one among thousands yet to come:

Tonganoxie, Kan. March 1st, 1890—Resolved, That we tender our thanks to Senator Vance, of North Carolina, for the interest he has manifested in our behalf, by the introduction of a bill to establish national warehouses for grain, etc., and we call upon Senators Plumb and Ingalls to lend their influence in this direction. Carried unanimously by the Hurst County Farmers Alliance.

J. LEE SIMPSON, Secretary.

The Alliance Herald (Montgomery, Ala.)—this shows up well:

It would be safe to estimate the amount saved to Southern farmers by the Alliance and its instrumentalities at from twenty-five to thirty millions in cotton alone. Unity of purpose and concert of action, if complete, could effect more. But that will do for the first season. It will do better next season.

The Advocate (Topeka, Kan.)—correct, exactly:

Democratic papers are jubilant at the manifest dissatisfaction of the Farmers Alliance with the Republican party, and are counting on a clean sweep for Democracy through the aid of this organization. Don't be too fresh, gentlemen; if you held the reins of government we should be after your scalp just as we are now after that of your Republican ally. Both parties are owned body and soul by capitalists and corporations in this world, and satan has a mortgage on them and their masters in the next. Honest men and honest measures are what the farmers are looking for just now, and these are scarce among the leading characters of the old parties. Republican defeat does not mean Democratic victory by a jugfull, and all this Democratic hilarity in view of prospective loaves and fishes is just the least bit previous.

Climax Advocate (Climax Springs, Mo.)—don't all answer at once:

Say, Mr. Farmer, what has modern republicanism or democracy done for you? Why do you bend the knee to these twin relics of barbarism that are to-day equally steeped in the crime of national robbery? Why do you with humble men persist in beseeching these knaves, tools of corporations, to do that for you that you as an honest man can and ought to do for yourself? Do you, can you as a sensible man, expect any relief from "boodle" United States Senators and corporation lawyers in the House? Have they not, for the past twenty-five years, persistently robbed you? If so, what can you hope to gain by still clinging to party?

Washington (Kan.) Republican.—Nothing the trouble with this paper:

It is needless to say that the Republican is in perfect sympathy with the farmers in their endeavors to better their conditions. Thus far we have seen nothing rash, arrogant or indiscreet in any of their actions. The farmer asks no more than he is entitled to. He seeks justice, and is determined to have it. He is tired of being ground between the upper and nether mill stones of monopoly. He has aroused to his true condition none too soon. When monop-

oly demands three bushels of corn for every five which it carries to the sea board—and it does—it means that shortly it will be demanding four bushels. The farmers propose to remedy these things, and they will do it. In this fight the Republican will render them all the assistance in its power.

Farmers and Laborers Union Journal (Batesville, Ark.)—This should be read in every sub-Alliance:

To look over the list of grand receptions, sumptuous entertainments, and elegant balls given by the various national officers from President down to Representative, one would think the nation was of the most affluent and its citizens in a prosperous condition. But again to visit the poor quarters of the large cities and see the utter destitution, the absolute want and the hunger and poverty, to look over our country and see mortgage after mortgage being foreclosed, to see in Kansas the poor farmer consuming his corn as fuel and the general hard times and scarcity of money the country over, we are wondering if our nation is not poverty stricken and its citizens almost in want. And we also wonder if there has been anything in common between the poor, plain people and the vain ostentatious displays of our administrations of the last eight years. If there is we can not see it.

The New Farmer (Winona Miss.) says:

If selfishness, envy and ignorance don't destroy and turn the blessings of the organized business effort of your brethren into naught it will not be for the lack of effort to blight, to snare and to sink it into the mud pool of stagnation and some of you are lured into a war against it too, with dim and vague reasons for your antagonisms. Bring thought to your aid; leave such progress-blighting company and join in in the effort of your brethren for improvement and organization.

The Farmers' Voice (Chicago, Ill.) hits the point as usual;

The Cullom bill and sub-treasury bill are natural running mates, and should be pushed at the same time, but we are forced to regard the Cullom bill as giving relief that is vital to life—while the sub-treasury bill is largely an act of justice and needed convenience. Both of these bills should be crowded until they become a part of the law of the land. The farmers have never asked much of Congress—it has been their mission "to pay all the freight," and this outlaw has been sternly exacted of them by their official rulers, and it is now high time that the farmers declared themselves as they never did before in the history of the nation. Both houses of Congress must pass these bills—and the President should sign them at once. If there be any delay about this business, any strangling, any smothering in committee—our national legislators will hear a thunderous growl of dread omen.

Mason's Monthly (Vineland, N. J.)—John Warr advocates the Sub-Treasury Plan:

Now, let us see, I purpose to tell "what it had done, was doing, and proposed to do." Of the first you know in part? but in addition to what I have stated, I would say that the Alliance found the southern farmer in a worse condition than the African previous to 1860, and to-day we find that it has succeeded in placing him on his feet, making him realize that he still a man and not a slave; and if he is an Alliance man he can boast of an amount of independence and self-respect that hasn't prevailed in the southern and southwestern States in a generation; and the wife and children can have all they can afford, whether it be of silk, cotton or gingham, without the consent of the local merchant and shylock cotton broker; and the husband can plant anything his judgment may suggest, which had heretofore been done for him by the very obliging "merchant." Again it has set to work the educational factors and to-day he can step up to the polls and cast an independent and a comparatively intelligent vote, without the heretofore valuable help of the ward politician and striker, and that, with what it implies, is a vast deal. And what is it doing? Why it is still educating and organizing, and the cry is "still they come." The wisdom congregated at St. Louis, formulated an almost perfect and unobjectionable plan, called the Sub-Treasury Plan (which cannot be explained in this letter, will try and do so in my next) which is to rob money of the power to oppress, by increasing its volume and thereby clothing it with its proper and just power, the power to bless. Second, it proposes to control and market the products of its members at the lowest minimum cost. There are other abuses that it proposes to remedy, but they are of minor importance, as the two named are the corner stone

THE NATIONAL ECONOMIST.

and capstone of the present plundering by law and system, and so we propose to focus our batteries on them. Those down, the rest is an easy matter, and I want to emphasize this, that these men are indulging in no Utopian dreams or theories, for by the light of history and experience in which they are walking, they know that all things that are possible, can be accomplished by Co-operation, and all that they propose to do is to stop class legislation, by cleaning out the Augean stables of our legislative halls, both State and National, restore to the government its primitive, humane and just principles, and to see that they are carried into effect. This may be an herculean undertaking but we shall have the herculean ballots to do it with, and though it will take time, I have faith in its ultimate accomplishment.

Dexter (Kas.) Free Press; you are right.

No political party dare come boldly out and take issue with the Farmers Alliance on any subject, contrary to the financial interests of the said Alliance, but they will bullwhack around, and through treachery try first one scheme and then another, to divert the laboring classes from the vital points at issue. For instance, re-submission and immigration are merely political dodges, hence, the eagerness to enlist Alliance men into the cause.

The Labette County Statesman (Oswego, Kas.); let us listen:

The people of this country are suffering from a money famine, and this too in the face of the fact that the people make the money and determine its quantity. Why don't they have the manhood to make money enough to insure their own prosperity? Gentle shepherd, tell us why?

Nuckalls County Herald (Nelson, Neb.); the same thing everywhere.

The farmers of Nebraska have been terribly oppressed by the railroads—so much so, in fact, that the strongest language of condemnation would be inadequate to fitly set forth the crimes and wrongs which the railway outlaws of Nebraska have heaped upon an innocent and long suffering people. The railways that run through Nebraska have been diverted from the beneficent object for which they were built, and are no longer conducted for the purpose of being a convenience and benefit to the community at large.

The Non-Conformist (Winfield, Kas.); just right.

To be candid, the day of grace for mortgage systems in Kansas is well-nigh flickered out. There is not a drop of repudiation blood in our borders, but there is a determination to no longer make brick and rustle the straw, where it is not.

Congressional Record (March 14th); may the number increase; first petition:

He also presented a petition of the Leavenworth County (Kas.) Farmers Alliance, praying for the passage of the bill to establish national warehouses for the storage of grain, which was referred to the committee on Agriculture and Forestry.

Lake County Independent (Madison, S. Dakota) says:

The story is told of a farmer at Chaunte, Kan., who sold a beef to a butcher for two cents a pound, agreeing to take a quarter of it himself. The butcher charged him the regular retail rate, and the result was that the farmer owed him \$2 on the deal. There is a world of finance and political economy in this little transaction.

Clark County Democrat (Clark, S. Dakota) gives the following:

The Government as now controlled fosters and protects monopolies; but the Government as it will be controlled by the Farmers Alliance and Labor Union will foster and protect the interest of the people. It will then be a Government by the people and for the people. God speed the day when the farmers and laborers will unite in sufficient numbers to oust the political ringsters and protect themselves and families by the laws that were originally intended for them.

The Advocate (Topeka, Kas.) asks:

In these times when the old party papers are glorifying John J. Ingalls and so confidently (?) predicting his return to the United States Senate, we desire to ask a question, and hope some of his admirers will have the kindness to give it a candid answer. The question is this: During his nearly eighteen years of service what act has he ever championed

that was of interest to the producers of the State of Kansas? We await the answer with bated breath. Don't all answer at once.

The Peninsula Farmer (Fredericksburg, Md.); just the kind of doctrine for the farmer:

The Kansas farmers just now have the problem to solve why they can not sell their products to those that are close by and in sore need of them, while they in turn are needing the product of the labor of those operatives. Till this is solved why should they pay attention to seeking a far distant foreign market, (to reach which it will take nearly the whole value of their grain for freight) by a "tariff reform?" And if we are really producing too much in this country, how is it going to help us to open our already glutted markets to receive the surplus of other nations? Again the 30 to 40 per cent fluctuation in value is the very thing that the Alliance wishes to put an end to. That 30 or 40 per cent rise in the value of a wheat or other crop just as soon as it gets out of the hands of the farmers into those of speculators, is one of the greatest causes of the present wretched condition of the farming class. If this 30 or 40 per cent that the consumer is made to pay for the farmer's produce over the price that the farmer is compelled to sell at went into the farmer's pocket, there would be very soon an improvement in the farmer's financial condition. Now this is just what the sub-treasury plan contemplates. It is intended that the farmer shall get the full value himself, and that it shall not go into the hands of a speculator who will lend out to the farmers on mortgage that money the farmer should justly himself have received for his crop.

Progressive Farmer (Mt. Vernon, Ill.) asks:

Farmer, wheat raiser, is twelve and a half bushels to the acre very much of an over-production? Well, that was the average of this country last year, and yet we are told that prices are low because there was an over-production.

The Toiler (Nashville, Tenn.); let us try it.

The sub-treasury plan, for the Government to build bonded warehouses over the country where needed, for the farmers to place their produce in and draw 80 per cent of its value until it can be sold at a price fixed under the natural law of supply and demand, instead of by combinations of capital, is a just measure in the interest of protection to the tillers of the soil, and it will not be healthy for the national legislators who oppose it. The House may pass it, but the present Senate never. There are too many friends of the moneyed oligarchy in that body for the people to expect relief, where it affects the amassing of great wealth by combines; but we trust our brethren and friends in Congress will press the measure, so as to get members of both houses on record.

Rice County (Kas.) Eagle says:

This Government was framed on the idea that all men were created equal, and equally should be protected by it; but our legislators spend their time in devising laws for the protection of monopolies, trusts and corporations to encroach on the citizens rights. No corporation should be authorized by the Government, unless held to a strict accounting for its acts. Any Government unable or neglecting to protect the people from the avarice and greed of the few is a failure.

Christian Patriot (Norristown, Tenn.); this is to the point.

True agriculturists should hold their products and not sell them 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 a day.

Oktibbeha Citizen (Starkville, Miss.) says:

The Alliance is proving itself a great educator of the masses. Our people are studying economic questions as never before. There is a grand future in store for the organized farmers.

Stephensville (Tex.) Headlight; exactly true.

Don't forget that all special laws against trusts, etc. gotten up by politicians to win favor will not be worth the time squandered on them, until we have a just financial system. Just remember this now, and not suffer yourselves duped by anything of the kind.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 2.

THE NATIONAL ECONOMIST

SATURDAY, MARCH 29, 1890.

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THE NATIONAL ECONOMIST.

OFFICIAL.

Notice to the State Secretaries and Others.

DEAR BRETHREN: Owing to the fact that I am daily receiving letters complaining that I do not promptly fill orders sent me for Charters, Rituals, Proceedings, and other material, I think it due myself as your National Secretary to make the following statement, to wit: THE NATIONAL ECONOMIST Publishing Company contracted to do our printing for us, and more than two months ago I placed orders with them for this printing, and up to the present I have not been able to get it done. Not near enough to fill the demand. I beg you that you do not censure me for this delay, as I have done everything in my power to be prompt in this matter. The company has just put in three new presses and promise to promptly execute all orders

future; therefore, basing my expectations upon the promises of the company, I hope to be able to promptly fill all orders in a few days.

Yours fraternally,

J. H. TURNER,
Sec'y N. F. A. and I. U.

Lecturer Ben Terrell's Appointments.

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

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.
Kansas, 12th July to 19th July.
Indian Territory, 22d July to 30th July.
Missouri, 2d August to 16th August.

KENTUCKY.

Clinton, 1 o'clock, April 2.
Mayfield, 1 o'clock, April 3.
Calvert City, 1 o'clock, April 4.
Princeton, 1 o'clock, April 5.
Morganfield, 1 o'clock, April 7.
Owensborough, 1 o'clock, April 8.
Madisonville, 1 o'clock, April 9.
Hopkinsville, 1 o'clock, April 10.
Russellville, 1 o'clock, April 11.
Bowling Green, April 12.
Lexington, April 14.
Winchester, April 15.
Mount Sterling, April 16.

INDIANA.

Paola, 1 o'clock, April 18.
Bedford, 1 o'clock, April 21.
Shoals, 1 o'clock, April 23.
Bloomfield, 1 o'clock, April 25.
Anderson, 1 o'clock, April 28.
Tipton, 1 o'clock, April 30.
Logansport, 1 o'clock, May 2.

INDIAN TERRITORY.

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

Harry Tracy's Appointments.

Harry Tracy will lecture at the following places in Texas on the dates given:

Victoria, April 1.
Cuero, April 2.
Hallettsville, April 3.
Richmond, April 4.
Bellville, April 5.
Brenham, April 7.

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

Resolutions.
Passed by Boyne Culley (Mississippi) Alliance, February 22, 1890:

Whereas it has pleased the All-Wise Ruler of the universe to remove from our midst our beloved brother, J. W. Morrow, and whereas we realize that in his death his family have sustained an irreparable misfortune, this Alliance the loss of a most worthy member, and the community an honored and useful citizen: Therefore, be it

Resolved, That we bow in humble submission to this dispensation of Providence.

2. That we tender to the bereaved family of our beloved brother our heartfelt sympathy in this their most trying affliction.

3. That each member wear for thirty days the usual badge of mourning.

4. That a copy of these resolutions be spread upon the minutes of this organization, and that a copy be mailed to the Chickasaw Messenger and THE NATIONAL ECONOMIST, with the request that they publish the same.

L. L. BASKIN,
G. T. STILLMAN,
A. G. ANTHONY,
Committee.

JOHN STUART MILL says: "Unlike the laws of production, those of distribution are partly of human institution: since the manner in which wealth is distributed in any given society, depends on the statutes or usages therein obtaining. But though governments or nations have the power of deciding what institutions shall exist, they can not arbitrarily determine how those institutions shall work. The conditions on which the power they possess over the distribution of wealth is dependent, and the manner in which the distribution is effected by the various modes of conduct which society may think fit to adopt, are as much a subject for scientific inquiry as any of the physical laws of nature."

THE NATIONAL ECONOMIST

OFFICIAL ORGAN OF THE NATIONAL FARMERS' ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., MARCH 29, 1890.

NO. 2.

THE VOICE OF THE PEOPLE IN CONGRESS.

Ever since the adoption of the Constitution by the United States and the inauguration of the present system of government, it has been a boast that the House of Representatives is composed of members fresh from the people every two years, and as a consequence they are familiar to and thoroughly imbued with all the wants of the masses, and are, therefore, fully competent and finely calculated to meet and combat any autocratic or aristocratic tendency on the part of the Senate which is farther removed from the popular voice of the people, and its members enjoy a longer tenure of office which tends also to weaken the supposed bond of sympathy and interest. So much has this doctrine been taught, and so seldom has it ever been questioned that it is almost a fixed principle of the American idea of American institutions; and yet it is a very incorrect statement of the facts as they really exist. It is true that members of the House of Representatives are elected every two years by the people, but it is not true that they go fresh from a contest for election by the people to their congressional duties. It is one year after they are elected before they take their seats in the House, and during that year after a member has been elected and before he takes his seat there is a session of Congress. That is to say, a member elected in November, 1888, took his seat in December, 1889, for a term of two years; his term of office, therefore, will expire in December, 1891, but in November, 1890, there will be the regular election to fill the office for the next term. He may, and probably will, run for re-election, and should he be beaten he will find himself in possession of the office with the term only half expired, and yet in possession of the verdict of the people against his re-election for a second term. He would be more than human if this state of affairs did not tend to weaken his sense of fealty and responsibility to a constituency that had renounced him. If his first year had been faithfully employed in the interest of his constituents, he could not help concluding that his efforts were not appreciated, and as he is not over well rewarded by \$5,000 per year for a man compelled to live in Washington, there would be a strong temptation to him to make what he could during his last year of service for what he naturally considers an ungrateful constituency. On the other hand, if he has not been faithful to his trust during

his first year, his failure to secure re-election shows him that further attempts to secure reputation for serving his constituents is unnecessary, and he will probably make hay while the sun shines. Congressmen are but human beings the same as the rest of mankind. They are endowed with the same passions and the same prejudices; therefore it is more than likely that one occasionally is filled with hatred and a desire for revenge upon a constituency that has elected a rival and an enemy as his successor. What could be more dangerous or more in the interest of bad government than to allow such an one to represent that constituency in Congress for another year? Yet such is the present law. Every time a Congressional district chooses to change its representatives it must be represented by a defeated candidate for one year. This is of course subject to the very few exceptions of those who do not stand for re-election. This has a powerful tendency to perpetuate in office as long as an incumbent may choose to stand for re-election, and consequently is decidedly antagonistic to a democratic form of government. It is also extremely dangerous that it is possible for the control of the legislative branch of the Government under present laws to be for one-half of the time in the hands of defeated candidate, because under such conditions as above shown good men become almost as dangerous as bad.

The remedy is very simple and can be stated in a few words, and yet its efficiency is so apparent that volumes written in argument against it will not gainsay it. Let members be elected in November as now, and take their seats in December following, not the second December as now. The only reason given for the present system is that a candidate will have one year after he has been elected to study up his duties and prepare himself for his work, but this falls to the ground under modern conditions in which his constituency is as intelligent as he is, and in which he has been pledged to take certain positions on certain questions. It would be better for him to go to his duties fresh from a canvass before the people with these pledges and promises ringing in his ears than to wait a year, during which he would find many changes that could be utilized as excuses for violating such pledges and promises. Mr. Brice contributed an admirable article on this subject in a back number of the North American Review.

THE PACIFIC ROADS.

No. 2.

The Government loaned its credit or endorsed the bonds of these several roads for the amount of \$64,623,512. These bonds drew 6 per cent interest and were made payable in thirty years. By the construction of the law of 1864 the Government pays \$3,877,410.72 in interest to the holders of these bonds annually, and does not require repayment from the roads until the bonds mature. This advantage of itself, according to expert testimony, was worth \$199,790,250 at the time the act was passed. Mr. Pattison, in his report as one of the Pacific railroad commissioners, estimated the value of the bonds, land grants, etc., received by these roads at \$447,729,470.54. As soon as the act of 1864 became a law a collusive suit was entered in the Supreme Court Huntington *et al.*, complainants, and Stanford, Crocker *et al.*, defendants, to confirm, construe and establish this second mortgage act. The court found the act constitutional, and its terms to be:

That the Government take nothing from the road for thirty years, when both principal and interest were due. That no security was required that the value of the road would be maintained or unimpaired till that time. That Government should have no right to intervene in the meanwhile with the management, or the value, or proceeds.

President Cleveland said, in sending the report of the commission to the Senate, regarding this act:

The immense advantages to the companies of this amendatory act are apparent; and in these days we may well wonder that even the anticipated public importance of the construction of these roads induced what must now appear to be a rather reckless and unguarded appropriation of the public funds and the public domain. Under the operation of these laws the principal of the bonds which have been advanced is \$64,623,512, as given in the reports of the commissioners; the interest to November 1, 1887, is calculated to be \$76,024,206.58, making an aggregate at the date named of \$140,047,718.58. The interest calculated to the maturity of the bonds added to the principal produces an aggregate of \$178,884,759.50.

Against these amounts there has been repaid by the companies the sum of \$30,955,039.61. It is almost needless to state that the companies have availed themselves to the utmost extent of the permission given them to issue their bonds and to mortgage their property to secure the payment of the same, by an incumbrance having preference of the Government's lien, and precisely equal to it in amount. It will be seen that there was available for the building of each mile of these roads \$16,000 of United States bonds, due in thirty years, with 6 per cent interest, \$16,000 in bonds of the companies secured by a first mortgage on all their property, and ten sections of Government land, to say nothing of the stock of the companies. When the relations created between the Government and these companies by the legislation referred to is considered, it is astonishing that the

claim should be made that the directors of these roads owed no duty except to themselves in their construction, that they need regard no interests but their own, and that they were justified in contracting with themselves and making such bargains as resulted in conveying to their pockets all the assets of the companies. As a lienor the Government was vitally interested in the amount of the mortgage to which its security had been subordinated; and it had the right to insist that none of the bonds secured by this prior mortgage should be issued fraudulently or for the purpose of division among these stockholders without consideration.

The commission, on page 84 of their report, says:

In general, it may be said to be established by the evidence that all the construction contracts, and all the important contracts for materials and supplies, were made between the Central Pacific Railroad Company and companies controlled by Stanford, Huntington, Hopkins and Crocker. These four persons determined the terms of all these contracts, and the result has been that through the payments made by the Central Pacific Railroad Company they have received as profits a vast amount of stocks and bonds. Those resulting from the construction contracts above stated represent over \$100,000,000 in stocks, and over \$5,000,000 in bonds. On the face of the books the barren fact appears that Leland Stanford and C. P. Huntington have taken from the assets of this company, over which they had absolute control, the sum aforesaid of \$4,818,355.67.

On page 121 is the following:

It is the judgment of the commission that moneys of all the bond-aided roads have been used for the purpose of influencing legislation. There is no direct proof, with specifications of time, place and persons, on which to base the assertion that actual bribery was resorted to. But it is impossible to read the evidence of C. P. Huntington and Leland Stanford, and the Colton letters, without reaching the conclusion that very large sums of money have been improperly used in connection with legislation.

On page 138 is the following:

The testimony taken by the Wilson committee showed that G. M. Dodge had been given, for services in procuring the passage of the act of March 3, 1871, \$24,500; that C. S. Bushnell had paid to T. A. Scott, on private account, \$19,000; that C. S. Bushnell had retained \$82,500; that there was paid to Governor John A. Dix, as a purchase by the railroad company of his stock, \$50,000; that there was paid to C. Windell, for signing the report accepting a section of the road, \$25,000; and that an allowance was made to T. C. Durant of \$435,750.21 for expenses in passing through Congress the amendatory act of July 2, 1864.

Everything points to the fact that the legislation of 1864, by which the first mortgage was made a second mortgage, was brought about through the use of money. It would seem from the testimony and corroborative facts that whatever these roads wanted by way of legislation or legal construction they went into the markets and bought. That it was purely a commercial transaction from first to last. No honest man can read the testimony given before the com-

mission without becoming disgusted with American legislation, and its interpretation by the courts. The commission further says, page 146:

Had the Pacific railroads been built and managed upon honest methods, had the Government loan been properly applied, these companies, regarded as a whole, could have declared dividends at the rate of 6 per cent per annum for eighteen years, from the date of actual completion to the present time, upon all the moneys that they would have been required to pay in to complete and equip the roads; they would have owned 2,495 miles of roads free from all debt, and worth \$124,600,000, upon an original outlay of less than \$35,490,814.44, three of them, the Union Pacific, Central Pacific, and Central Branch, could have repaid every cent of the principal and interest advanced by the Government to date, and could have reduced their charges to shippers to the extent of over \$140,000,000, or nearly \$8,000,000 per year. For \$1 the stockholders would have realized \$1.07 in dividends in eighteen years and \$1.11 in land sales. The property would have been free from debt, and for every dollar that they had invested the stockholders would have had in property over \$4, so that in eighteen years each dollar would have yielded \$6.18. But they chose dishonest methods. At the outset they divided \$172,347,115 of fictitious capital, they dissipated over \$107,000,000 which should have been applied to the payment of the principal and interest of the Government debt, and they taxed shippers to the extent of over \$140,000,000, or nearly \$8,000,000 a year, to pay for the inflation of the capital of these companies and for the vicious practices that crept into their management. Large sums were also squandered by some of the bond-aided companies to pay for the services of lawyers to influence legislation, the total legal expenses of the companies being as follows:

Union Pacific and Kansas Pacific.....	\$2,349,554.80
Central Branch.....	333,661.65
Sioux City and Pacific.....	37,287.75
Central Pacific.....	2,361,154.88

Total..... 5,081,659.08

It is hardly necessary to state that these legal services were not entirely confined to lawyers and legal advice. The greater portion was doubtless spent in influencing legislation. The report continues:

In the accounts of the Central Pacific Railroad Company this diversion of earnings amounted to many millions through contracts made by Messrs. Stanford, Huntington, Hopkins, and Crocker, with themselves, for construction, leases, repairs, etc. They constructed 1,171 miles of adjunct lines, at a cost of \$27,216,931.01. On account of that construction in addition to a small cash payment they issued bonds to themselves to the amount of \$33,722,000, and stock to the amount of \$49,005,800, making a total issue of \$82,747,800, of which \$55,539,554 represented inflation. Then, as directors of the Central Pacific, they took leases of their own lines for the Central Pacific for \$3,490,828.81 per annum; which was at the rate of nearly 13 per cent. Fifteen months ago three of these directors contracted with themselves to build an extension of the California and Oregon division of the Central Pacific from Delta to the boundary line of Oregon, a distance of 103 miles. In payment they issued stock to the amount of \$8,000,

000 and bonds to the amount of \$4,500,000, the market value of the stocks and bonds at that time being \$8,340,000. The actual cost of construction was \$3,505,609, so that they personally profited by their own votes by that single transaction to the extent of \$4,834,391. Mark Hopkins is dead, but his interest is still maintained for his estate and heirs.

Instead of fulfilling honestly and fairly a single condition of the argument, or being guided in their transactions by the plain provision of law, the officers of these roads began at once to evade and ignore every statute and all control. The testimony given before the commission makes seven large volumes, while the condensed report makes one of 216 pages. Altogether they present the blackest record of public men and national measure to be found in the history of this or any other country. The commission says:

Because of the vicious methods actually pursued by the bond-aided companies the Government has been defrauded of the bulk of its advances, shippers have been taxed to the extent of over \$248,000,000, and liabilities to the amount of \$389,517,265 have been heaped upon the properties; the total liabilities of these companies to the public and Government on December 31, 1886, being as follows:

Union Pacific, including St. Joseph and Grand Island guarantee.....	\$203,379,555.00
Central Pacific.....	171,908,784.00
Sioux City and Pacific.....	7,392,447.17
Central Branch.....	6,836,479.16

Total..... 389,517,265.33

These roads now, after all this flood of fraud and corruption, come before the people and ask that their debts be extended for from 50 to 125 years at an annual interest of from 1 to 2 per cent.

ANOTHER EXAMPLE.

A farmer in Michigan sold his farm of one hundred acres in 1864 for \$100 per acre—not an extravagant price at that time—and received \$10,000. With this he bought \$10,000 of United States bonds, bearing 6 per cent interest in coin. These bonds furnished an income of \$600 per annum, and left him free to dispose of his own labor as he saw fit. His labor, together with the income from the bonds, supported his family without adding to or taking from the original amount received as proceeds from the sale of the farm. In 1873 the 6 per cent bonds were exchanged for 4 per cents due in 1907. At present rates of premium his bonds are worth \$12,500. How is it with the purchaser of the farm? For the first few years the business of farming paid him a profit, but since 1873 his profits have been less, until a state of positive loss has been reached. As it now stands, he is an old man, his best energies gone. His farm is less fertile, his buildings old and weather-beaten. He has no more stock than when he began, and the farm that cost him \$10,000 twenty-six years ago, upon which he has expended all the labor of the best years of his life, can not be sold for \$4,000. But the money with which it was purchased has increased in its power over values until it will now buy more than three just such farms. Is there not something beyond free trade or protective tariff in this example?

MORTGAGES IN OTHER COUNTRIES.

A publication has been issued recently from the Department of State containing much valuable and trustworthy information regarding the mortgage indebtedness of other countries. Those who are not fully aware of the "power of money to oppress," anywhere and everywhere, under certain conditions, would do well to obtain a copy of this document and read it carefully. It contains reports from American consuls stationed in every nation on earth, and comes laden, with but few exceptions, with the same old story of unequal conditions and increasing hardships with which this country is so familiar. It brings proof of the saying of President Garfield, "that whoever controls the money controls the people." According to the statements of these consuls there is not a country to-day upon which the sun of prosperity shines, and but few nations whose mortgage indebtedness is not increasing. It is true, therefore, if an increase of mortgages follow adversity, a decrease of the same would bring prosperity. This publication presents the most solid array of testimony to the fact of the complete enslavement of labor in production to the power of money that has ever been given to the public. It is an authenticated acknowledgment on the part of Government that instant and radical reforms are necessary in that direction, in order that the growing tendency of class formation among all people in all nations may be checked. It is not only astonishing but heart-sickening to read the statements of each government in its order and find the same conditions arising from similar causes running through them all.

Beginning with the continent of Europe, Austro-Hungary is quoted as being heavily mortgaged, especially the agricultural portions, with a tendency toward a rapid increase, fully one-half of such property being encumbered. Interest about 5 per cent. In Belgium the recorded indebtedness for 1886 was 206,367,000 francs, while the total amount of valuation taxable was only 341,047,000 francs. It shows all kinds of indebtedness to be on the increase. Interest about 5 per cent.

The condition of Denmark discloses a bad state of affairs indeed. The mortgage indebtedness on landed estate during the period from 1870 to 1884 increased to an average of 41 per cent of its selling value, while the mortgages on Copenhagen City property was fully 70 per cent of the value of buildings and ground. The condition of the farmers in particular is shown to be almost unbearable. Interest from 5 to 7 per cent.

In France mortgage indebtedness is on the increase, notwithstanding the method of intense farming that is practiced. The amount of this kind of debt is placed at about 35 per cent of the taxable property. Interest from 5 to 7 per cent.

The condition of Germany from this reliable source of information is shown to be deplorable. Prof. Preser says: "There is no mistake in stating that 80 per cent of the entire taxable real estate in the German Fatherland is charged with mortgage scarcely redeemable on the part of the mortgagors." Dr. Jaeger says: "We will scarcely fall short of the truth in estimating the amount of mortgages attaching to farming in the German Empire at a round ten milliards of marks (\$2,500,000,000). What German farmers pay merely in interest to capitalists every year is a tribute of about five hundred millions of marks (\$25,000,000)." Interest from 4 to 6 per cent. This statement sounds familiar, and might have come from Kansas or Michigan. In Saxony, from 1879 to 1884, this species of indebtedness increased 36.94 per cent, or 7.39 per cent per annum. Interest about 5 per cent.

Italy is in no better condition; the mortgage indebtedness on agricultural property is given at about 50 per cent of the value. Interest about 5 per cent.

In the Netherlands the statement is made that the mortgage indebtedness has rapidly increased during the past eight years. The report of the mortgage banks show an increase from 37,541,261 florins in 1880 to 89,666,891 florins in 1887. Interest 4 to 5 per cent.

From Portugal comes the statement that mortgage indebtedness is on the increase, with interest at 5 to 6 per cent.

In Russia a very large proportion of landed property is mortgaged for more than two-thirds of its value, and is bringing about the usual results of misery and distress. Interest from 5 to 7 per cent.

In Spain the mortgage indebtedness is on the increase, the interest being about 6 per cent.

The report from Switzerland shows that the ratio of mortgages to the total valuation is from one-half to two-thirds, with interest at 5 per cent.

After a careful examination of all the reports from England there seems to be no doubt that the mortgage indebtedness of that nation is on the increase. In the opinion of those competent to judge, from one-half to two-thirds of the amount of total valuation of taxable and assessed property is under mortgage. Interest from 3 to 5 per cent. In Ireland the conditions are much worse and the means of collection more severe and exacting. Statements from Scotland show that the mortgage indebtedness is increasing and the value of land decreasing at a rapid rate. In Glasgow seven-eighths of the real estate is mortgaged for two-thirds of its value, while mortgages upon country property is almost universal. Interest about 5 per cent.

From the continent of Asia comes the report that in Turkey the rate of mortgage indebtedness is in-

creasing rapidly, with interest from 12 to 60 per cent; that all farmers are usually in debt, and that the sacred soil of Palestine, from the midst of whose borders came the divine curse upon usury, and from the temple of whose metropolis the money changers were driven with scourges by the Son of God, the vampire mortgage has laid its slimy hand upon fully three-fifths of its valuation. In British Asia all debts are on the increase, with interest from 6 to 7 per cent. In China there is a large amount of foreign capital loaned on mortgages for commercial business purposes at about 10 per cent interest. But among themselves the Chinese have no such transactions. They do not trust each other to any great extent. They make the basis of all credit personal security, and all the more important commercial enterprises are generally controlled by families.

In Japan the middlemen are doing very well, but the laboring classes are meeting with increased difficulties each year, even in obtaining a bare living. The farming interests are gradually growing worse.

In New Zealand and Australia mortgages are increasing in amount and the value of property decreasing rapidly. Interest from 7 to 9 per cent. Were it not for the wool industries these countries would be in a deplorable condition.

In South America the reports show that mortgages are increasing in the Argentine Republic, but not at the rate as in many other nations. The fact is, the financial system of that country is far in advance of that in many older and more important governments. It is a system that can be studied with much interest and satisfaction in more than one respect. In Brazil mortgage debts are on the increase, and all values are decreasing, especially in the agricultural districts. Rate of interest about 6 per cent. Taken as a whole, the reports from South America discloses a better financial condition among the people than from any other section of the globe. The cause for this no doubt lies in the fact that as yet the blighting hands of trusts and monopolies have not been felt, and the money of the country is comparatively abundant.

In the provinces of British America the reports indicate that in New Brunswick and Nova Scotia this class of indebtedness is small, while in Ontario it is increasing considerably. In Quebec mortgage indebtedness is decreasing, especially in the farming districts. From statements given the provinces are all in a fairly prosperous condition.

In Mexico the recorded indebtedness is about 30 per cent of the assessed valuation of the taxable property, and is stated as not being on the increase. Rate of interest about 7 to 8 per cent.

The above summary of the reports of American consuls prove conclusively that certain results will follow certain causes, no matter in what clime or un-

der what form of government they may occur. They also prove that under similar conditions anywhere and at all times money has the same "power to oppress." With these facts in view, how is it possible to argue for an inflexible volume of coined money? If these reports are true, there is not metallic money enough in the entire world to pay 5 per cent of the interest charges of its indebtedness. And there can not be coined money enough in existence to pay 1 per cent of the debts of the people. Under such a condition are the wealth producers to blame for being restless? Is there not good reason for demanding a readjustment of economic systems? The same factors in production and distribution which force the Kansas farmer to burn his corn and the Illinois miner to starve for want of it, compel the German peasant to labor sixteen to eighteen hours per day and live on the refuse of his production. The cause is not local or national; it is universal. There is a general conflict at hand in the immediate future between labor in production and capital. Disguise it in any other form, yet this is the plain truth. When it will be settled, or how this settlement is to be brought about, is and should be the problem which must engage the attention of all who lay claim to the possession of economic knowledge. This question involves the highest order of statesmanship.

Western Mortgages.

A Chicago Tribune special from St. Paul, Minn., says:

The passage of the bill extending the time of redemption on real estate mortgages from one to two years in North Dakota has created a panic in financial circles. This telegram, signed by all the loan agents in Grand Forks, was sent to the governor yesterday: "If the bill extending the time of redemption becomes a law it will drive capital from the State, increase the rate of interest and force the companies to use trust deeds, which would enable the companies to get title immediately after default." The mortgage men assert that in case this bill goes upon the statute book a tornado of foreclosures will break loose upon the entire State and all outside mortgage loaners will pull their capital out as rapidly as possible. Furthermore, they say that all capital inside the State will turn into other channels and the farmers will find themselves absolutely unable to procure accommodation. The bill was passed at the request of the Farmers Alliance. The loan men say there are \$15,000,000 of mortgage loans in North Dakota, and that upon fifteen per cent of it the interest is delinquent and being extended from time to time by the mortgagees.

The above represents neither a theory or an assumption, but a real condition. Just such a condition as is always met when money possesses the "power to oppress." This capital comes from the East, is placed in the hands of these loan companies at a certain stipulated per cent. The loan companies sub-let it to the farmers for all the tribute possible to obtain. The farmer must pay high interest to the Eastern capitalist and the Western agent and support his own family besides. This experiment wherever tried has usually resulted in a failure, as shown in the extract given. A farmer placed in the situation here described had better abandon his land at once and get far from the clutches of his master. It furnishes another strong proof of the necessity of cheap money for the benefit of the people.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 8.

There has been some dispute as to whether the 7-20 bonds were used as currency. Especially has this been denied by those who wished to show up the amount of currency in circulation among the people during the war as small as possible. But every one in business during that period does know that they were used as money and passed current. The strongest evidence in support of this cited is found in United States Treasurer Spinner's report for 1869-'70, page 244, where he heads the list of outstanding currency with a certain amount of 7-30 bonds. Instead of being given as so much outstanding bonds, it was reckoned as so much currency. This ought to forever settle that question. But, by reference to the law authorizing these bonds it will be found that they were intended to circulate as money. The Secretary was authorized to issue them as legal tender to all creditors for the amount of the principal, together with the interest accrued on any such note at the date of tender. During this session the national bank act was revised and re-enacted. A bill for this purpose was introduced into the House. It was debated, amended, and finally defeated. Another was sent from the Senate and gagged through like the original bill the year before. Thus it will be seen that the only bill on which the House had a fair debate was defeated, and others were put through by parliamentary tactics without a fair discussion. In debate, Mr. Brooks, of New York, showed that the pet banks which the Secretary had made national depositories were putting the Government funds in their hands into deposits with the Secretary and drawing interest on them. By this arrangement, if the inducement of over 17 4-10 per cent was not enough, the Secretary could leave on deposit any amount of Government funds and pay them interest on the same. This could be accomplished by the bank depositing the Government funds with the Secretary and taking therefor a certificate of deposit. The Treasury would then hold a claim against the bank which drew no interest, while the bank would hold a claim against the Government drawing 6 per cent, and the Government had but received its own money. The bank was perfectly safe in this operation, for when the Secretary wished to use the funds he would draw on the bank, and the bank would respond by checking on him; as he already had the money that would end it. The Secretary need not even take this trouble, for the funds were subject to disbursement without drawing on the bank with which they were supposed to be deposited. Thus there was no limit to this game, except the statutory limit of \$150,000,000 to

the certificates of deposit. Wm. Pitt Fessenden succeeded Mr. Chase as Secretary of the Treasury. He submitted his annual report in December, 1864. He thought the omission of the provision of the coin payment of the 5-20 bonds was accidental, and recommended legislation to settle that question. As Mr. Brooks and Mr. Stevens had both offered amendments for that purpose, which had been rejected after debate, it seemed curious that Mr. Fessenden should think it accidental; he thought that, embarrassed as the country was with two systems of banking, and obstructed as the Government was by a currency wholly beyond its control, it would not be advisable to push its own issues further; he considered the violent fluctuations in gold due to gold-gamblers, or perhaps secret enemies, and thought that the rapid conversion of State into national banks was on account of its "superior advantages rather to those individuals interested than to the community at large." He thought it worth while, however, to retain the national banks, because it secured a uniform currency, as though the greenback was not as uniform and secure. Such shallow excuses show the absurdity of the position of Congress. It was evidently legislation for the banks rather than the people. The act of January 28, 1865, was a supplement to the acts of the preceding year, and authorized no new loan. The first section provided that the issue of the remaining \$200,000,000 of the loan of June 30, 1864, might be issued in 7-30 notes instead of bonds. The second section provided for the sale of \$4,000,000 of the 5-20 bonds of 1862, either in this country or in Europe. The act of March 3, 1865, was passed at a time when it was evident that the rebellion was about to collapse, and partially anticipated that event. This act, with that of April 12, 1866, constitute the first funding scheme, and contained provisions giving almost unlimited power to the Secretary of the Treasury. The first section authorized a further loan of \$600,000,000, for which he might issue bonds or notes. These bonds were to run not less than five nor more than forty years. The notes might be made convertible into the bonds, and might be dated and run such time as the Secretary might deem expedient, and the principal or interest, or both, might be made payable in coin or other lawful money, at the option of the Secretary. A proviso limited the interest to 6 per cent if paid in coin and 7-30 if not, and stipulated that the rate and character of the interest should be expressed on all such bonds or treasury notes. Another proviso changed the act of June 30, 1864, so that the balance of the loan should be in bonds authorized by this act. Another proviso allowed the Secretary, at his option and with consent of the holder, to receive in exchange any obligation of the Government bearing interest for

any kind of bond authorized by this act, and such bonds should count as no part of the \$600,000,000 additional loan. The second section provided that he might dispose of any of the bonds issued under this act anywhere, and "for either money or any of the interest bearing obligations of the United States, either past or future, in such manner and at such rates, and under such conditions, as he might think advisable." In section three he was prohibited from making any of these issues a legal tender.

Thus it will be seen that with the exception of the maximum rate of interest, and the maximum of forty and minimum of five years on the bonds, the Secretary could make any contract he pleased with public creditors, and he could convert the whole debt-bearing interest into such contract with the consent of the holder at his option. The power thus granted to Hugh McCulloch was simply despotic, and the scheme can best be understood from the tables showing what he actually did. One peculiar provision will be noticed, the nature of the interest must be specified, while no such provision was made with regard to the principal. Mr. Hooper, chairman of the Ways and Means committee, stated that the bill originated in the Treasury Department, and that the committee and said department had held frequent consultations over it, and that the bill would not necessarily result in the issue of gold bonds, but would give the Secretary an important influence over the money market. Under this law the Secretary could issue unlimited quantities of 7-30 notes. The debates on this bill show that such notes were in actual circulation. The financial legislation of the war closed with this act. Had it not been for the profit derived from such legislation, it is the judgment of good men that the war would have ended at least two years sooner. But if we consider the financial legislation during the war a fraud, and against the best interests of the people, what shall the legislation of the years immediately following be named. Before this history is complete, the legislation prior to the war will be made to appear as the spotless habiliments of the redeemed when compared with the laws enacted since. If the people were plundered during the war under forms of law, it has been veritable confiscation of values in their case since that time.

Mortgages Payable in Kind.

H. Mahrann, royal Prussian councillor of Government, in a recent (1889) publication, "The Agricultural Distress, its Causes and its Cure," gives some very instructive details on the subject. He says:

To contract debts was also in former times a favorite custom among land-holders, and, consequently, mortgages were constantly placed on the soil for any cause necessitating a gage, as both the creditor and debtor saw in the non-consumable and non-transportable character of land and premises the most advantageous security for effecting a

traffic on credit. Forms of indebtedness, however, have since then undergone very trenchant changes. In those early times it was not forgotten that crops make a different return each year, and therefore, all services and dues to be rendered by the land-holder to others were stipulated to be in fractions of the crop, as, for instance, in tithes. Even if the claims of the feudal lord, parson, or State were at times cumbrous, yet this sort of creditor, at least, was satisfied with portions of actual yields. Thus the profit of good years and the loss of bad years were borne in common. Similarly was it in case of sale, as, owing to a lack of money, sales for ready cash were rare. A vassal or feoffee on the estate to be disposed of was made liable to a yearly impost on every kind of fruit expected, regard being paid to short crops by the customary remission of the imposts in bad harvest years.

If this system could be put into practice in this country it would enable the farmer to take a breathing spell occasionally, but modern economics have brought about a decided change; now the farmer does all the work, runs all the risks and usually gives all his net earnings to the holder of the mortgage on his land. Crops may fail, floods may come, or any other misfortune occur, but the interest continues to draw and the date of payment gets nearer.

Change of Address.

The offices of President Polk and Secretary Turner have been removed from 916 E street to 511 Ninth street Northwest, Washington, D. C., the rooms lately occupied by THE ECONOMIST, this paper having outgrown its quarters and moved next door, to 513 Ninth street.

A New Paper.

The Kentucky State Union is the name of a new visitor to THE ECONOMIST exchange table, printed at Bowling Green, Ky., S. B. Erwin, editor and proprietor. That it should be devoted to the principles of the order is of course, and its forty-eight columns are full of live matter. The Union says:

Knowing that most farmers have to do their reading at night, we have deemed it best to print the Union in large, full type so that all can easily read, the old as well as the young.

The Union asserts:

There is not a spot five miles square in the God-favored State of Kentucky but where families living in the bounds have not eaten a biscuit in their own homes for six months, and yet we are told we are producing too much wheat. In the near future we will bring out the statistics to show the amount of wheat and other necessities of life produced in our country, and right here let me say we as farmers know but little of the productions of our country. We are given to taking some one's statement. We do not investigate for ourselves. Is it not time that we began to attend to our own business?

A Conclusive Argument.

Iowa Tribune (Des Moines, Ia.) says:

The mortgage demon hangs over the farmers of Iowa like Damocles' fabled sword suspended by a hair, ready to drop upon the victims, and yet the commerce committee of the Iowa Senate last Monday reported unanimously for indefinite postponement a bill reducing the legal rate of interest to 8 per cent, and when a greenbacker forced the Senate to consider the matter, Col. Gath, of this city, almost shed tears in a speech for the poor farmers who would be ruined by this bill. Dr. Eagle replied to him, "there is another kind of farmers in Iowa that borrow all the money they want from the United States treasury at 1 per cent, not 8 per cent, and they seem to survive very well, and if 1 per cent money is good for the bondholding farmers he didn't think it would ruin the plow holding farmers to have their rate reduced from 10 to 8 per cent." There was no more said against the bill.

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

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

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

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

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

Address all remittances or communications to—

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WASHINGTON, D. C.

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THE NATIONAL ECONOMIST Almanac is sold at 15 cents per single copy, post paid, or 12½ cents per copy in clubs, regardless of number.

In remitting always state whether in payment of previous orders or a new order. For example, an inclosure "for almanacs" may be intended for a previous order, and confusion be caused.

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

HARRY TRACY's great lecture, delivered in Texas, and published in THE NATIONAL ECONOMIST of February 1, 1890, is now offered the public in pamphlet form, as follows: 10 copies, 25 cents; 50 copies, \$1.00; 100 copies, \$1.75; 1,000 copies, \$15.00. Delivered to any address postpaid.

SENATOR INGALLS "WEIGHED IN THE BALANCE."

A new era is beginning to dawn upon the political situation in the United States. For twenty-five years the experiences of the war have been industriously used to arouse the prejudices of the people, that they might receive and adopt the teachings of the DOCTRINE OF SECTIONAL HATE, and thereby perpetuate a solid North and a solid South. This doctrine of hate has received the undivided attention of professional politicians, thieves, and speculators who desired class legislation, and another class, who may be appropriately termed Government parasites (Washington is their heaven), who have planted, watered, and fed it without stint, and spared no pains to make it flourish. They have even held magnifying glasses in front of all observers, that the size of the noxious plant might appear to be great. During all these twenty-five

years they have shown no signs of weariness or any indications that they ever intend to desist from their efforts. But what has been the result of this almost superhuman effort to make the doctrine of sectional hate grow and flourish upon free and honest American soil? Let us see. At first, and for a few years after the war, it flourished wonderfully and grew apace. This was on account of the feelings engendered during the fight; but gradually from that time until the present it has lost vigor, and now we can say that it has long since ceased to flourish, and seems certain to die out entirely in spite of all efforts to preserve it. Among the eminent physicians who have exhausted all their resources to preserve it, the most conspicuous of modern times is the United States Senator whose name heads this article. The most convincing proof that the baneful doctrine as well as those who advocate it is doomed comes from Mr. Ingalls' constituents, and is as follows:

Atchison, Kan., March 26.—The Farmers Alliance of Kansas, in convention at Topeka, yesterday passed, among other resolutions, the following: "Notwithstanding the fact that John J. Ingalls has represented Kansas for eighteen years in the United States Senate, it is a difficult matter for his constituents to point to a single measure he has ever championed in the interest of the great agricultural and laboring element of Kansas, and we will not support, by our votes or influence, any candidate for the legislature who favors his re-election to the United States Senate."

What folly it is for men to try to make the doctrine of sectional hate thrive on American soil, among American people of this day and time. The fact is, its doom was sealed when the Farmers Alliance was organized; because when intelligent and honest men associate themselves together to promote the general good, there will soon spring up a bond of true sympathy as a result of honest hands shaking honest hands, and the greeting of pure and upright hearts through eyes that know no guile. An honest man recognizes an honest man by contact. He knows him intuitively, and all the sophistry of the evil one himself can not convince them after such contact that the other has horns, hoofs, and tail. That all vanishes under contact and modern intelligence.

What a fearful verdict the Farmers Alliance of Kansas has rendered in the case of Senator Ingalls. He has verily been "weighed in the balance and found wanting." There is nothing partisan about this; it is the true measure of the Alliance yard-stick, and the Alliance men of Kansas fulfill a God-given duty to themselves and their country when they use it, and they will stand by their verdict, no matter to what political party each may belong. But look out, gentlemen politicians who depend on the doctrine of hate to fan the flames of sectionalism and prejudice to a ruddy glow that will make the honest farmer blind to your defects, he wears Alliance spectacles now and

carries the Alliance yard-stick in his hand. With the one he can see through your fuss and smoke, and with the other he will measure you, and measure you correctly too. He can not be fooled any longer. And now, Mr. Politician, heed the voice of wisdom and stand on your own merits, together with your disposition and ability to carry out the pledges you will hereafter be compelled to make the people, and it will be a warning and a terror to the unscrupulous schemers.

THE FISH COMMISSION.

An effort is being made, and a very proper one, to place the fish commission under the control of some one of the departments. This is deemed necessary because of its increasing importance and large expenditures. This commission was established in 1871. From that date until 1887 its total expenditures were \$2,476,351. The appropriation for 1888 was \$223,880; for 1889, \$257,580; and for 1890, \$296,900, with a deficiency bill of \$33,000, making in the whole \$329,000 for this year. To expend this vast sum of money requires a large number of men, and because of the peculiar character of the work they should be carefully selected and their experiments intelligently directed. This can not be done as the commission is now organized. As it is one man controls and directs the entire business. He is responsible to no one, not even to the President. He can expend this large sum of money as he may elect, and make his own selection as to subordinates. This is a power given to no other public officer, and is against the genius of the Government. No matter how honest or capable a man may be, or how anxious to do right, he is liable to commit grave and costly errors in the administration of such a business solely upon his own individual judgment. The proper action in the matter is to place this commission under the care and supervision of the Department of Agriculture. It properly belongs there, as its avowed object is to aid in the supply of cheap food for the people. There is no other department that could care for it as easily or with as little expense as the Department of Agriculture. There are many reasons for placing the commission in charge of one of the departments, and Secretary Rusk has shown himself a careful, painstaking officer, and would no doubt increase the efficiency and usefulness of the commission. The agricultural experiment stations now in operation could be combined with the fish hatching stations, saving a considerable sum, while the disbursing office of the commission, which now costs over \$6000 a year, could be dispensed with. There are many other points which a full discussion of this matter would disclose. The plain duty of Congress is to place this commission under the Department of Agriculture.

RAILWAYS, THEIR USES AND ABUSES.

Their Effect Upon Republican Institutions and Productive Industries.

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

No. 48.

BUSINESS VIRTUES OR BUSINESS VICES.

Last among the functions of competition in the distribution of wealth, but by no means the least in its importance, is its work of distributing profits among the individuals who compete in any given line of business. In this respect the work of this great force is such as could be performed in no other way with the same natural justice or the same benefit to the community at large.

From the very nature of competition it is plain that under its uninterrupted operation its inevitable result must be to give the greatest reward to the competitor in any given industry or commercial operations who does the most in return for what he gets. The very nature of competition is the effort to secure business or patronage by offering more of any staple or service for the same return, or offering the same amount for a less return than the purchaser can get of other competitors. It follows that, with this effort universal in all classes of business, the competitor who renders the greatest service to those with whom he deals, who gives them the best worth of their money in quantity, quality, promptness and honesty of dealing, will gain the greatest business and secure the most wealth. This grows out of the very nature of the force. It is based in the first place upon the policy of rendering the greatest possible service in return for what is received. The reward of competition depends upon making the service so great in proportion to the return that the competitor can secure enhanced profits by reason of the large amount of business thus secured. And the inevitable result must be, that he who makes the inducement so great as to secure the greatest amount of business will gain the greatest reward in the distribution of the gains of wealth. This has been demonstrated time and again in every department of trade where competition is free, and it always will be the case wherever that force is unobstructed. The effort being to obtain wealth by giving the greatest service in return for it, that man will be best rewarded who best performs the service in his branch of commerce and gives the most in return for what he gets.

The qualities which must be developed in this effort to secure success by giving the best returns for the money received are almost infinite in variety, but in every respect the effect of the force is to develop the qualities most needed for the successful prosecution of commerce and industry. Where suc-

cess depends on doing the most for a given amount of money, the inevitable result must be that the manufacturing establishment which makes its location where the industry can best be carried on; which adopts the best and most economical processes; which employs the most intelligent and skillful workmen; which turns out the best quality of goods and does the whole work in the most economical and satisfactory manner, will be sure to obtain the best results. Under the same force a commercial establishment which performs the work of distributing goods, either at wholesale or retail, by the methods which entail the least expenditure of work, and which select and sell the best quality of goods for a given amount of money, or is able to sell to the customer the same goods for the least money, will be sure to gain the success sought for under the force of competition. Under competition the merchant who deals honestly with his customers is so much more sure of success than he who cheats and swindles them that the result has become crystalized in the adage that "honesty is the best policy." In short, the effect of competition, free and unobstructed in all the operations of trade and industry, is to produce the individual qualities of intelligence, activity, integrity and industry to a degree that could be developed in no other way than by offering the premium upon them held out by the fact that he who gives the best money's worth will get the most money in return.

The idea has been advanced by the opponents of competition that the result of that force is to establish undue cheapness, or as one eminent leader of labor organizations has put it, to indulge in "the sin of cheapness." This is the natural deduction from the superficial idea of competition, which represents that force as always operating to bring down prices; but it ignores the fact that the relative bearing of the term cheapness loses all its force when the operations of commerce and industry are considered merely as the exchange of products. If competition cheapens the price of one staple, it simply enhances the value of those for which it is exchanged. If the absence of it raises the price of the given staple, the result is to cheapen all the other staples in the market where they are exchanged for each other. The real significance of cheapness, when considered with regard to a single staple, means the enhancement of the value of all the other staples to the degree in which the first is cheapened. Where the force applies to all staples equally, it means simply the enlargement of the possibilities of exchange, and the increase of the volume of production to the largest quantity.

But the allegation is applied more directly in the assertion that competition tends to lower the quality of products manufactured and sold under its force.

This is a purely gratuitous assertion, and is contrary to the very nature of the force. It is true that competition has resulted in the production of staples at very cheap prices, some doubtless of inferior quality; but wherever success is obtained by the production of the low grade of any product, it is because that low grade is desired or needed for a certain class of consumption. To allege that a manufacturer or merchant can obtain success under free competition by selling an inferior grade of any staple to those who desire the better grade, is simply to ignore the penalty which competition places upon just exactly such a vice. If there is no competition, the merchant who sells shoddy clothing, or the manufacturer who turns out agricultural implements of soft and worthless iron, may not lose by it; but with competition, the customers who are once swindled in that way, will be sure to transfer their custom to the merchant or manufacturer who sells honest and durable goods. To suppose that it could be otherwise, and that under competition a man can go on selling or manufacturing inferior articles without the penalty of loss of custom, is to believe purchasers so stupid and ignorant that they either can not recognize the difference between inferior and superior articles, or that they are unable to perceive the remedy within their reach of purchasing their goods of the merchant who deals honestly with them. The system based upon the idea of giving the greatest service in commerce for the same return, will ensure that that service shall be rendered with as much respect to its quality as quantity; and that the person who gives the best service will receive the return which it deserves. Now let us inquire, as in preceding articles, what system could be devised to take the place of this great natural law which distributes the rewards of industry among those who give the best returns for what they receive, and who conduct their business solely upon the principle of attracting custom by offering the greatest service possible. Take the socialist idea first, that no one shall have a greater amount of profit than another, but that each person engaged in industry shall have just an equal amount of the production upon which to sustain life. Is it not clear that the moment this is done every inducement to efforts to cheapen production, or to perform the services of commerce in the most economical manner is taken away? The man who performs that share of labor which is assigned to him by obsolete and stupid methods, will have just exactly as great a reward as the one who spends his time in devising means to increase production, or decrease the cost of transferring the products from the producer to the consumer. The immense rewards which now await the man who by invention or application finds out how to decrease the cost of manufacturing cloth a quarter of a cent a yard,

or by his learning and research, discovers how to increase the quality of iron and steel by 25 per cent at the same cost of manufacture, would be taken away. All the inducements to invention, application and organization, which have resulted in the production of very costly articles to be sold at almost trivial prices, with the return only obtained from the immense volume of sales, would be taken away. Is there any hope, that under such a system the march of invention and progress would be possible, which is typified now by the production of a yard of cotton cloth at 10 cents, which requires the investment of millions of capital and the employment of hundreds of laborers before a single yard can be produced? I can see no reason to believe that human nature would be different under socialism than it is at present; and if all rewards for energy, industry and application were taken away, the result of arresting all progress and smothering all invention would be inevitable.

This imaginary case of a community in which the socialist idea abolishes all competition, and divides the reward of labor equally, without regard to industry or application, takes us into a purely abstract field. A more practical way of considering the same question, is to study the cases in which competition has been abolished or suspended in certain industries. When we examine such cases, we find the fact shining out that without competition the prizes of industry are not awarded according to the business virtues, but more generally according to the business vices. In industry, under the rule of monopoly, not only is the reward for invention, application, industry and integrity taken away, but the penalty for the lack of those qualities is removed, and consequently we find those qualities flourishing. The man who locates his manufactory without an intelligent choice of the best locality to produce the staple economically, suffers no penalty, if there is no competition. The penalty of the increased cost of production falls upon the public who have to pay for it in the enhanced price of the article. The man who manages his business extravagantly and improvidently is supported in that extravagance and improvidence by monopoly. The man who exacts extortionate prices from his customers, or sells them inferior articles at the price which would be adequate to pay for the best quality, finds in the suspension of competition his surest protection against the penalty which ought to fall on such commercial greed. The corporation which is free from the force of competition in regulating its profit, can successfully inflate its capital so as to represent four dollars of pretended investment for one of actual money put into the business, and can make the public pay for the fictitious and dishonest capital.

This one fact is a sufficient and ever present illustration of the justice of free competition and the in-

justice of its suppression, that wherever competition is obstructed or suspended, there the vices of stock-watering and the attempts to impose the cost of bogus capital upon the masses invariably presents itself. The organization of the White Lead Trust, intended to establish a monopoly in the production of white lead, was accompanied by the inflation of the nominal capital of the works combined in that organization to four times their original appraisement. This fact extends throughout the entire range of corporate industry to-day, so that it is as a rule, wherever you find the phenomenon of capital inflated to twice, thrice, or four times the actual investment, that there you can discover, if you investigate the subject closely enough, either a real or an attempted suspension of competition. So long as competition is enforced, it will expose the dishonest capitalization and reduce the inflation to the basis of actual investment. It is true that inflated capital has often been established upon the expectation of a monopoly that was not realized; but in every such case the beneficial work of competition has been demonstrated by its prompt exposure of the bogus valuations. The manner in which the absence of competition permits the success of vice and dishonesty is shown by the fact which is prominent in this very connection, that wherever this phenomenon of watered capital is maintained by the suspension of competition there the most gigantic practice of business vices appears in the wildest forms. In connection with these watered stocks we find the vices of favoritism, of stock gambling, of manipulation of securities so as to deceive the public, and of actual betrayal of the interest of the stockholders by the officers whose duty it ought to be to protect those interests. Without the presence of that regulative force which imposes the penalty of dishonesty, inflation and favoritism upon those who commit them, we find that the greatest rewards in business are gained by those who successfully practice the vices of trust manipulation, of inside contracts and of syndicate deals by which the favored parties obtain immense fortunes and the outside parties, whose interests are entrusted to the manipulators, are defrauded and impoverished. The case in favor of competition is made doubly strong by the way in which wherever it is interfered with inflation, dishonesty, breach of trust, and favoritism flourish and are rewarded with egregious wealth.

These considerations should certainly be enough to defend the competitive system against all the assaults that are made upon it. The force which distributes rewards and profits in accordance with the principle that he who does the best and gives the most in exchange for what he gets shall receive the greatest reward can not be otherwise than beneficial. It is the principle of the survival of the fittest ap-

plied to the qualities which are most needed to secure the greatest amount of production and to bring out the greatest good from the operation of commerce and industry. There is no surer way than to cultivate the qualities that are needed to make commerce the greatest benefit than to offer the exercise of those qualities the highest reward. In the great mass of industry the unconquerable nature of competition has illustrated the progress which is made under it. The vast achievements of the nineteenth century have been secured under the free action of this force. Wherever in the world a nation exists which has stood still, and remained dead and unprogressive in this century of progress, there it will be found that competition has been choked and monopoly has flourished. The lesson is made complete by the fact that where, under our trust system, the operation of that force has been impeded and obstructed, there the vices and injustice which have created great fortunes at the cost of the masses have flourished and been successful.

Finally, in determining the effect of competition, set down the fact that in the individual distribution of wealth competition means giving the best rewards to those who best deserve them by offering the most for what they get, while the absence of competition means that the rewards of industry can be obtained by the practice of dishonesty, rapacity and vice, without the penalty that should be inflicted upon those qualities.

THE NATIONAL ALLIANCE AID ASSOCIATION.

For the past two years Brother A. Wardall, as president, with other brethren, have been conducting a mutual life insurance company, with headquarters at Huron, South Dakota. This company has met with such gratifying success throughout the Northwest that the directors have determined to make it national in its operations, and give each state an opportunity to share in its benefits. For this purpose an office has been opened at No. 511 Ninth street, Washington, D. C., with Brother N. A. Dunning as general manager for the eastern and southern department. Any one desiring further information regarding this matter can obtain it by addressing the above. A fire insurance company will soon be added to this on a plan giving insurance at actual cost. It has been tried in Dakota for nearly two years, and has proven a success. The plan is original.

F. G. BLOOD, of Mount Vernon, Ill., advertises that he, as organizer for Illinois of the National Farmers Alliance and Industrial Union, desires to appoint a well-qualified deputy in each unorganized county in the State, and will visit any county, when called, for the purpose of organizing and selecting a deputy. He is pushing the work as rapidly as possible.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

SEASONABLE HINTS.

All hope of getting a local supply of ice must now be regarded as at an end. This will prove a serious evil in localities remote from cities where the people seldom fail to get ice enough at least to supply the sick. In the handling of dairy products the want of ice may also be seriously felt. It is established by science, as well as by experience, that the animal heat should be as soon, and as completely as possible, abstracted from milk, which has a tendency to prevent the formation of the poison sometimes produced in milk and other aluminous compounds by bacteria. As warm weather comes on, therefore, it becomes a matter of duty to see that milk is quickly set in cold water in the absence of ice. A more scrupulous care is also demanded in keeping milk vessels and all dairy utensils perfectly clean and well aired, and frequently exposed to the sun. After the bacteria which produce this poison affect the milk, freezing does not render it less poisonous. Custard freezes, and all other preparations of milk, sometimes become invested with this poisonous quality which has very often been attributed to cooking in copper vessels. It is now known that copper and its salts are much less virulently poisonous than was formerly supposed. It is also proven that the cases of sudden illness arising from the eating of custard freezes and similar preparations are produced by the poison produced by the bacteria. Therefore, no such preparation should be made one day to be eaten the next day, nor should any left over be kept but should be given to dogs, pigs, or other animals. It is now necessary to clean up all refuse which may have accumulated anywhere about the premises during winter. Burn up what can be disposed of in that way, and put quick lime or chloride of lime on the place which has been cleaned up; trace up all malodors and remove the cause; open and ventilate, and lime all closed places; use lime wash freely, it is better than kalsomine and other such like preparations; lime wash may be colored to suit taste or fancy. Lime is a germicide or disinfectant, but the preparations referred to are not. A lime wash for stone, brick or wood may be made as follows: Take a good barrel into which put half a bushel of the best stone lime and pour on water to slack it. While the lime is slackening, add one gallon of linseed oil stirring constantly until ebullition ceases. This wash will now take a great variety of colors; a nice French grey is made by adding lamp-black previously cut with vinegar or soft soap, or what is much better, cheap molasses or syrup. A dead white glare is not only unpleasing, but its effect upon the eye is injurious to that most delicate and important organ. For fences and outbuildings a good wash is made by mixing hydraulic cement to the thickness of cream in new milk and applying rapidly with a large paint brush. Be sure, at all events, to use due diligence to clean up and give a fresh, clean look to the premises as soon as may be.

AGRICULTURAL INSTITUTIONS.

One reason why agriculture has been made the

burden bearer of professions is that agriculturists have put up with every sort of imposition which the governing class, viz., the lawyers and professional politicians, choose to put upon them so uniformly as to establish the belief that they will bear anything and everything. Colleges and other institutions have been endowed in the name of agriculture in most of the States, but for the most part there is nothing agricultural about them but the name. Lawyer governors have appointed lawyers, editors of political papers, political parsons, and effete stump speakers to constitute the board of managers, and these men have proceeded to distribute the funds among people of their own sort by their appointments, often managing one way or another to get their own fingers in the pie. A college of agriculture ought to be a school of science applied to some of the great industries which are dealt with in the farm practice of the locality. At the head of a school of applied science should be a man distinguished in at least one branch of modern science, and having a broad, comprehensive knowledge of the methods and results of modern science in general. Until very recently no such man had ever been placed at the head of any one so-called agricultural college in America. The one or two exceptions to this statement which might now be named serve only to emphasize and accentuate the general rule. In these places have been put old soldiers, old sailors, political ex-parsons, men of purely literary culture, any sort, every sort, except only the right sort of a man. The selections have been made from political considerations, from sectarian considerations, from personal considerations, almost never from considerations relating to fitness, capability, and the good of the class for which the money was pretended to have been appropriated, and hence the outcome has been failure, flat, preposterous, contemptible. The cause has been openly apparent, and yet the farmers, with the all-powerful remedy of votes in their own hands, have put up with this maladministration and waste of means. Take the case of Virginia. Prior to the late election the Democratic party put into its platform this: The Democratic party recognize the fact that the agricultural institutions of the State ought to be placed under control of practical agriculturists actually engaged in that pursuit. Mr. Philip McKinney was set up a candidate and went about the State soliciting the votes of farmers, pledging himself to all that was pledged in the platform. He got the votes and became governor of Virginia. It came to pass that among the very first of his executive duties was the selection of visitors to the agricultural college, but he made such a batch of appointments of the old sort as to call out indignant protest, which he regarded with contempt, and so he will undoubtedly go on to the end of his term. At the next election a new platform will be gotten up, new pledges made to foster and care for agriculture, and to put right men in control of the agricultural institutions. A new lawyer and professional politician will be set up a candidate; he will adopt all the pledges and make them his own; farmers will give him their votes; he will be elected, and will spit upon those pledges as his predecessors have done. This is what the politicians expect, and judging of the future by the past, it is what they have a right to expect. It is this kind of foolish forbearance of the

agricultural vote which leads lawyers and professional politicians to treat all protests from that source as being of not the smallest consequence. It is nobody's fault but their own, if nobody regards the farmer's views, his wishes or opinions, even in matters that concern his own well-being. Very large sums have been appropriated for so-called agricultural institutions. The whole has been wasted in most cases. At last we have an agricultural institution which seems to intend to make itself heard in its own behalf, and that institution is the Farmers Alliance. The jute trust have heard from this institution; other combines are going to hear from it. It is preparing to strike full at the crest of the grand combine of money mongers and professional politicians. It is preparing to show the country and the world that it means business. It is preparing to take the party-machinery of both the great parties out of the hands of professionals and put it where it belongs, in the hands of the people. It will not be wise, nor well for them, if the governing class and the speculators who govern them continue to suppose there will be no hereafter. The Kansas Alliance serves notice that hereafter is already come as far as one hundred thousand voters of their fraternity are concerned. The Alliance is, we think, an institution whose inspiration is from within, and it has come to stay.

SHEEP AND DOGS.

The question of sheep against dogs is one which has been much discussed. The writer had recently a practical illustration of one phase of the question. Sitting at his desk writing he observed a dog which was following a vehicle along the public road a quarter of a mile off enter the field; in about one minute or less a sharp yelping was heard a few yards from the house, and a little child called out, "the dogs have got a sheep and they are killing it." Dashing down the pen and running out, the dogs were found tugging one at the throat and the other at the hind-quarter of the best ewe in the beautiful and expensive bunch of pure Walsingham southdowns which the writer has bred with much care from the prize pens of the centennial exhibit. The dogs were driven off and followed to the road where the owner of them, a neighbor, was told of what had occurred. In a few minutes he brought the dogs over to be dealt as the writer thought fit. It was agreed between us that they ought undoubtedly to be killed. Then came up the question who should kill them, which ended by the writer shooting them both, as their owner did not like to kill his own dogs.

Such cases often lead to much ill-will among neighbors; fortunately, not so in this case. In many places, some in Virginia, the county taxes all dogs, and so creates a sheep fund. All sheep destroyed are appraised and paid for and the surplus, if any, turned over to the public school. But sheep of the value of pure Walsingham southdowns would not be appraised probably at one-tenth of their value. There ought to be a law like the one quoted above in every State and for all the counties, and that law ought to impose a double tax on all breeding female dogs, which would sensibly diminish the number of dogs kept or bred in a short time. Sheep husbandry is a thing too important as one of the branches of farming that any longer pays any profit to be jeopardized or ruined by dogs; the great majority of such as are

kept being utterly valueless. Not are their degradations by any means confined to sheep stealing. Dog-proof fences are very expensive; however, valuable small flocks may be kept enclosed in dog-proof hurdles, at night, or grazed within them at all times, if moved daily, which is, however, troublesome and involves some expense. Wire netting makes cheap and light dog-proof hurdles. The writer houses his southdowns at night in a dog-proof barn, and under ordinary circumstances dogs will not attack them near the house where they are always kept in the day time. A dog tax to create a sheep fund to pay for those destroyed by dogs is no hardship, but a wise and just law.

GEN. FRANCIS H. SMITH.

The founder of the Virginia Military Institute, and for fifty years its head, Gen. Francis H. Smith, lately retired on full pay, full of honors and years, is we deeply regret to learn, paralyzed and lies in a critical state. General Smith has been identified with instruction in applied science during his whole active life, and the fruits of his labors have been of immense value to Virginia first, but also to the south and the nation at large. He has passed considerably beyond the allotted three score years and ten. His life-work is finished, and to few men has it been granted to do a great work. Gen. Smith was a graduate of West Point and a mathematician of much ability and originality, and was during nearly his whole term as superintendent also a professor of mathematics. Equipped with a general culture in applied science, the Virginia Military Institute graduates have excelled in almost every field of activity, including agriculture, for which as a learned profession they have been far better equipped than those of colleges called agricultural.

Manufacturers.

A representative of THE NATIONAL ECONOMIST has recently visited many of the manufacturers, and made it a point to discuss the Alliance movement with them, and inquire how they were disposed to treat overtures made from our business agents. He writes:

In my visits to the manufacturers of agricultural implements, I find the feeling existing among them favorable to the great farmers' movement, and a sincere hope that they will stick together and accomplish the ends they seek to achieve. They are willing to assist, and as soon as they see their way clear, will all come direct to the farmer and offer their goods at wholesale prices. I have had several to say they are willing to deal direct with these Alliance associations whenever they establish a commercial standing. It is unreasonable to ask manufacturers to throw off their agents who have represented them faithfully, unless they can secure equally as good representatives among our trade agencies. They would much rather sell direct and get a better line of paper at a smaller per cent, than to have to make their lists high enough to cover an agent's commission and freight. They can not ship in less than car-load lots to advantage. If every county, or every three counties wanted to establish a good trading-house with a good cash capital plan, a thoroughly reliable

business man at the head of each concern and out as agents for these people, doing all business through their State business agency, they would accomplish what we are all fighting for. By managing the business in this manner the State agent would be ordering a number of car-loads of goods from each factory, and would get goods at less than 20 per cent lower than if a county trade-agent tries to do business direct. Again, you should not tie yourselves to any one factory, but buy such goods as are demanded for different sections. This will make all factories friendly, and it will not be long until we can get any make of goods direct; also impress on the factories the necessity of advertising their goods in the Alliance papers so as to create a demand with Alliance people.

Governor Boies, of Iowa.

BY "YOUNG AMERICA."

"Thou, Sir Philip, possessed of the wisdom of present and past time, canst teach how to become great without ceasing to be virtuous? A hard task," answered the historian, and which few have attained; but which is still in the reach of printes who will strive for it." — *Quentin Durward*.

"The duty of the elector is plain; by the most sacred of human obligation he is bound to bring to the aid of the Government of which he is a member the weight of his unbiased intelligence upon every political issue his vote helps to determine." — *Gov. Boies*.

If such be the sacred duty of an elector, a mere infinitesimal part of the body politic, what must be the bounden duty of the head of a young, rich, and powerful State — like an individual forming a character for life for weal or for woe — a head invested with authority not only to direct, but under express obligations to give such intelligent directions to the constituent parts of the body politic, as will enable them to do wisely and well their respective duties? Only a policy radically and designedly vicious could have reduced this great empire to its present unhappy condition. An empire vast in its area, rich in its resources, and powerful by the bold, intelligent application of its citizens. Sir, do not mistake the genius and temper of this nation. Young America is no reformer, no cobbler, or mender of old wares. "My fields are large," he says, "the old ox-cart can't haul their products to market;" and, as if by magic, we have the iron horse and his capacious wagons. "This old scythe-man, can not mow my meadows and these immense fields of grain," and lo! the mower and self-binder. The same bold, free spirit discards all old devices and makes new things. This boy is now thinking about a public business to correspond to his private methods. Rest assured it, too, will be squared to scientific laws and made to answer a purpose. Nor will much time be wasted in patching up old make-shifts and makebeliefs borrowed from baronial Britain. Look out!

Information Wanted.

LUCINDA HOLMES, wife of Alfred Holmes, of Starnes, Webster county, Miss., desires to know the address of her father, Berry Wilkey. Berry Wilkey's only son is named William Wilkey. Berry Wilkey was last seen by Mrs. Holmes in Shelby county, Alabama, in 1866. Any one knowing of the whereabouts of Mr. Wilkey, or any information regarding him, will kindly write to the above address.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

THE True Commonwealth is the name of a new monthly published in Washington, D. C., of which Dr. T. A. Bland is editor. Its platform calls for the nationalization of monopolies. Of its political color the following gives best assurance:

In the sense that politics is the science of government, this paper is a political paper; but it is not a partisan journal in the ordinary sense, but strictly independent. It deals with political questions on a plane above the partisan, and is therefore at liberty to criticise parties and party measures in an independent and just manner, condemning what is wrong and commanding that which is right.

Woman's Tribune (Washington, D. C.); let some masculine member of Congress answer this:

The homes which shelter millions of men, women and children in this land are menaced by debt. The mortgage hangs over them like the fabled sword of Damocles suspended by a single hair. What anxiety, what sleepless nights, what toils and struggles by day, what stinting economy to make ends meet and save the home. What committees of ways and means consult under a hundred thousand roofs while helpless childhood and old age sleep unaware of the danger that impends. Only the angels know the vast sea of suffering tending to despair which every night broods over in these United States because of debt. Let us have a crusade to pay the mortgages and save the homes of the people. The first step is to demand cheap money — loaned to the indebted on their property. The notes of the banks secured by bonds are guaranteed by Uncle Sam, and pass as money. For this the bank pays 1 per cent, and no other tax. Will some one kindly tell us why the Government should loan money at 1 per cent to the banks and refuse it to the farmer and manufacturer who can give security? Will our friends of the other sex enlighten us? The corporate credit of the nation is made up of individuals and their possessions. If that credit has marketable value and any one is to secure its advantages, should not each in proportion to his contribution be entitled to its use? What beneficent consequences would flow from this extension without possible loss to the nation. It is time for women to study these great economic questions. In them is bound up the most precious interests of home. Let us find out why this discrimination in the primary distribution by the sole power that can emit money under our Constitution.

Southern Alliance Farmer (Atlanta, Ga.); Col. Livingston in his speech, said in regard to the sub-treasury plan:

We do not ask a change in the Governmental plan. It is not a revolution. We merely want the plan enlarged. They allow me to deposit bonds as evidence of indebtedness, and draw 90 per cent of their face value, and bank on these bonds. The Government pays the holder interest on these bonds, and taxes the people to get money to pay this interest. And the Government, besides taxing the people, discriminates against them by not allowing the banks to loan money on real estate, while it allows the merchant to get money on his merchandise. Whisky men can put green whisky in bonded warehouses, valued at \$1 per gallon. The moment it goes in it is considered worth \$3 a gallon, because it is worth more as it ages, and they get \$3 on their whisky. Why not give the farmers the benefit of bonding their cotton and other products? Why should he not have the same favor as is shown to the whisky man and the banker? The sub-treasury plan would require the building up of warehouses in every county. This would cost \$50,000,000. Some will say that big sum will kill the plan. If it was \$50,000,000 for pensions, or rivers and harbors, it wouldn't be too much, but it is too much to give the farmers of the United States. You can get the \$50,000,000 out of the \$100,000,000 surplus left to redeem the treasury notes which Congress has declared are not to be redeemed, and these millions are lying idle in the vaults. There are \$25,000,000 in fractional currency, which the bankers won't handle because it is too small. Give us the fragmentary and ragged currency. When the crops are harvested you could take them to these warehouses and store them, paying the actual expense of storage, insurance, etc. The agent

then would issue 80 per cent advance upon the value of the produce, and still leave 20 per cent for future use. The moment your cotton goes into the warehouse it is impossible for the speculators to get hold of it. This would keep prices more equally steady. It would be there for twelve months, and within that time the farmer would be brought face to face with the consumer, and it would keep him out of the hands of the speculators. It would at once put an end to corners, combinations and trusts. We have been asked, what if we don't sell in twelve months? Then the agent would sell and settle with us. This currency put in circulation would make about \$50 per capita and put us back to the good times of 1868. The crops are stored in the warehouses, the agent issues certificates. When they are sold out the certificates are burned. This would make the currency flexible, giving us money with which to handle each crop and retiring some when not needed.

The Liberal (Cuthbert, Ga.); wait and see if this is not true:

The city papers are trying to ridicule the sub-treasury scheme adopted by the National Alliance at St. Louis. Meanwhile the farmers are reading the Alliance papers and doing their own thinking, though they say not a word. When the proper time comes they will act, and that action will cause somebody to "hear something drop." We repeat, the farmers are thinking for themselves this year.

Journal of the Knights of Labor; correct:

"The labor problem," as understood by a good many magazinists, amateur political economists and dabblers in social science, is how to better the condition of the worker without interfering with any of the "rights" of the capitalists. No wonder many of them give it up in despair and declare it to be insoluble. It can't be done any more than you could protect society from burglars without interfering with the "rights" of the burglar to get his living by plunder.

American Nonconformist (Winfield, Kan.); just about the size of it:

The so-called representatives of the people meet in Congress once a year. What for? To enact good laws? No; but to make political capital to be used in their next struggle for political supremacy. Party interests are first and foremost. The masses play a losing game with their representatives. All legislation for the good of the people is blocked by the opposition. Needed legislation is ignored, for its success might mean votes for political rivals. Political fences are built and old ones mended. Politicians climb the political stairway by help of a job, and self-interests are kept so close to the eye that the interests of the people are lost sight of. A session of Congress is a game of chess, and the spoils of office are the prizes played for. But the results are nil as far as the welfare of the people is concerned.

Faulkner County Wheel (Conway, Ark.) says:

Remember that the Democratic cry of "low tariff" or the Republican cry of "high tariff" does not add a dollar to the currency of the country. So far as the farmer is concerned, neither low tariff nor high tariff helps him. Farmers and producers need more money in the country, and the demands of the Alliance and Industrial Union and of the Union Labor party enacted into law is the only way to relieve oppression and get more money.

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

A very large per cent of the acreage of the wheat crop in this section of the country is, we fear, frozen out. Ordinarily we should regard this as a disaster to the farming community, but if over-production, as claimed by many of our friends, is the cause of the present depressed state of the market we should rejoice at the failure of wheat and other crops. If the theory of over-production be true would it not be a wise policy for the producing class of our citizens to lie idle for a year or so, and thereby bear up the prices? Over-production! over-production! And yet there are hundreds and thousands of persons suffering for the actual necessities of life.

Mills Weekly World (Altamont, Kan.) says:

Hardly a day passes but the dispatches announce that persons in this country are starving or being fed by charity. This is a free country where Senators and Congressmen are paid a salary of \$5,000 a year to make laws for these people. There may or may not be a literal fire hereafter; but there ought to be.

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Louisiana Weekly Journal (Homer, La.); this idea is growing:

Many of the members of this body have been in office for many years, so much so that they have become, in a sense, an office-holding class. Many of the Senators are very wealthy men, and numbers of others are attorneys of wealthy corporations and monopolies. They do not come directly from the people and in no sense directly represent their constituents. There is about the body an air of haughtiness and arrogance which should not characterize the servants of the people of a republic. The Star Chamber methods which the Senate seek to enforce, at least in regard to a portion of its proceedings, has directed public attention to the arrogance of the body and given rise to suggestions and plans to bring the Senate into closer relations with the masses. The Senators should, we think, be chosen by a direct popular vote, and the term of office should be reduced to at least four years. This would bring the Senators into closer sympathy with the people and lessen in no small degree the haughtiness and contempt for the masses which is at present manifested by the American House of Lords. The Senate is too far from the people. The body should be popularized by changing the manner of the election of the Senators and shortening the term of office.

Farmers Voice (Chicago, Ill.); this is the style of goods that paper keeps on sale:

Two-thirds of the farmers in both Dakotas are under the dominion of the Shylock terrorists, who thus pollute and degrade American citizenship to serve their own base and criminal ends. A half a dozen London and Boston loan and investment companies, by the aid of their deputy loan sharks on the spot, can govern the two Dakotas with the same absolute authority, which the Czar exercises in his distant Siberian provinces. In other days we have heard representatives of these loan shark brigands detail with great unction and delight how they bulldozed the debtor farmers, and made them work and vote against their own friends and political principles. Farmers! Patriots! was not this a virtual assassination of our American liberty. Does it not rob the citizen of his individual birthright, and also of his priceless franchise as a unit of power in our Republican Government, and yet this high treason against our Democratic institutions has neither name nor penalty on our statute books—more is the infamous shame of it.

The Butler (Mo.) Local News says:

The effects of organization, associations, and interchange of ideas, is becoming more and more apparent. Confidence in each other, and enlightened comprehension of the cause and relief of our material condition has superseded the indifference and partisan rancor of a few years ago, and people are becoming independent enough to belong to themselves.

National Free Press (Washington, D. C.) says:

The bankers of the country protest against Senator Stanford's bill to make money plentiful on the ground that it will ruin the bankers. What of that? There are a few hundred bankers in the country, but over 65,000,000 of other people, and as long as money is scarce the bankers can oppress and plunder the people at pleasure. The Free Press favors Senator Stanford's monetary scheme on the ground that without cheap and abundant money the people of the country will be ruined. The bankers confess, by this argument, that their trade flourishes only at the expense and distress of the people generally. This is a flat confession that their business is a source of disasters to the people, and if they can not flourish except at the expense of the people, let them go to the wall. The pirate, on the same grounds, could complain that the enforcement of the law broke up his business, and therefore he protested against the law and its enforcement. But the pirate's protest does not avail much, and neither will the banker's.

The Pacific Union (San Francisco, Cal.); just the right conclusion:

One thing, however, is pretty plain at the present time, and that is that quite a considerable number of old subsidized humbugs in our national capital, who have enriched themselves by selling their country, are getting to be badly frightened. The petitions that come flowing in from the people, together with the watchful vigilance of the great Farmers Alliance and Industrial Union, seem to be making their situation exceedingly unpleasant. No doubt they are

eagerly watching for an opportunity to repeat their former acts of treachery, and hand over their constituents again to the tender mercies of the blackhearted pickpockets of Wall street. Seeing, however, the coffin and winding-sheet, also the deep, dark grave of political oblivion into which the people are preparing to bury them out of sight of honest men, they shudder.

The conclusion of the Globe Democrat is that the want of capital is one of the worst drawbacks to success in farming. It says:

A large majority of the farming population are comparatively poor, even when they own the land which they till. They have no money to buy stock when corn is low, and are obliged to sell their grain as soon as it is threshed or gathered for whatever they can get. Thus they are at the mercy of influences which they might control in a considerable degree if they were blessed with a little capital.

The Alliance Farmer (Selma, Fla.); good advice:

The brightest jewels that great Farmers Alliance garners are the benedictions of widows and orphans, whose hearts have been made glad by the kind and gentle help of the brethren, but the next brightest to be garnered are the luke-warm, lazy members who have dropped out of the Alliance ranks, and are not doing a brother's part in the duties of the hour, and must be brought into the fold again. Let each active member see to it that these jewels are returned, and thus prepare a crown studded with such gems.

The Arkansas (Seary) Economist says:

The discontented mutterings of to-day are but the rumblings of smouldering convictions that always plunge forth sooner or later. Similar circumstances in the past have produced similar evidences, the culmination of which is written over again and again in the record of the ages past. Some will sleep until they are submerged in the flood-tide of revolution and driven away in relentless flow. So it has ever been "the gentleman may (and do) cry peace." There is a consciousness of injustice that enticing words can not remove.

Labor Journal (San Antonio, Tex.); let every farmer read this twice:

What fine weather this is for farmers; plenty of moisture in the ground, the land in fine condition, and farmers well up with their work, but let us warn you brother farmers that your organization is part of your business, for without concerted action on your part and in your own behalf, you will surely make a failure of farming, though your crops be as abundant as Carter's rats. It is one thing to raise a crop and reap the benefit thereof, and another thing to raise it and have it filched from you through a vicious, thieving and wrong system of distribution of the wealth created by your incessant toil.

Labor Advocate (Birmingham, Ala.); true:

It is a mistake to suppose that the rich man maintains his servants, tradesmen, tenants, laborers, the truth is, they maintain him. It is their industry that supplies his table, furnishes his wardrobe, builds his houses, adorns his equipage—provides his amusements. It is not the estate but the labor employed upon it that pays the rent; all he does is to distribute what others produce, which is the least part of the business.

The Weekly Chillicothe (Mo.) Crisis. The plain truth: There is no doubt whatever that the Democratic Western Congressmen, after talking Greenback doctrines from thousands of rostrums, consented by silence to Wall street having full sway in the financial legislation and administrative financial policy. They did this to carry New York. They did it from 1876 to 1880, from 1880 to 1884, and from 1884 to 1888. Now, the New York electoral vote is a nice thing to have, and goes a great way toward electing a President, but it is dear, very dear, when the price is a surrender of the people's dearest interests to a vicious financial system.

The Alliance (Iowa) World; ask something easier:

A few days since about one thousand foreigners of the lower class arrived at New York. Eighty per cent of them went right into the mines about Pittsburgh and vicinity. They were undoubtedly brought over under contract to labor, in violation of law. But what good does the law do? What can Government do to protect the labor market when the Government is owned by the great corporations of the East? What is the talk about "the pauper labor of Europe" worth when that same labor is imported by the ship-load for the purpose of displacing "protected" American laborers?

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