

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

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

Rights and usage

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

Center for Research Libraries

Scan Date: March 02, 2012

Identifier: s-n-000059-n15

property be exempt from taxation let it be improved property, and if a fine is to be levied let be upon the speculator who keeps valuable lands out of use. He who uses his lands benefits the whole community, while he who keeps lands out of use, inflicts an injury upon all. This is a question that is worthy of careful consideration by the whole people.

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

The decision of the United States Supreme Court in the matter of railroad charges in Minnesota emphasizes the fact that the only solution of the railway question that will insure peace between the corporations and the people, and give entire satisfaction to the latter, is the Government ownership of railroads. Denouncing railroads, condemning courts and changing constitutions will do no good. There is an irrepressible conflict between the over-capitalization of railroads and the people, and the cause of the conflict must be removed if the conflict is to end. Government ownership is the only press that will squeeze the wind and water out of our natural monopolies, and, therefore, Government ownership is the one consummation upon which the people must insist.

Certain papers of Texas say that the leading issue in the next State election will be the amendment of the constitution to create a railway commission. Which side will get control of the Democratic party machinery?

The Arbor State (Wymore, Neb.) is sarcastic:

With a tariff tax on eggs, the American rooster will crow half an hour earlier than usual, thus giving the honest farmer more time for his day's work.

The Labor Advocate (Birmingham, Ala.) must be restive under criticism:

A real crown of pure gold, studded with a thousand diamonds, and valued at \$37,500 is to be put up at auction at Singapore, India. It formerly belonged to the Malay sultans, and is being sold by the estate of the late sultan of Perak. I have made arrangements to buy this crown, and will present it to the man who honestly confesses that he can not run this paper better than I can.

The editor of the People's Signal (Marlin, Tex.) has been long in the strong path of reform. It says:

For fourteen years we have published a paper in defense of the rights and dignity of labor, and during that time we have on more than one occasion seen our wife and children so poorly clad that it was a mortification to us to have them appear in the humblest society, and on numerous occasions did not know how or where we could get a sack of flour or a gallon of molasses to appease their longing appetites, but during all that period God, in his mercy, has given us wisdom and courage to stand firm in defiance of our assailants.

The Farmers Alliance (Chattanooga, Tenn.) says:

The farmer and retail merchant's interests are identically the same, therefore no retail man can afford to fight the alliance movement, neither can the alliance afford to fight the retail men. When they get to understand each other thoroughly, things will be different, and they can work together for the best interests of each other.

The Faulkner County Wheel (Conway, Ark.) says:

Every farmer, whether he belongs to the Alliance Union or not, should stand by the demands of the Alliance. Surely the National Alliance is a better judge of the needs of farmers and laborers than the political convention of any party.

The Colorado Workman (Pueblo) suggests:

The farmers and laboring men will probably learn, after a few more years of toil and starvation, that one of the impossible things in this world is to obtain the repeal of bad laws through the parties that enacted them.

The Labor Journal (Fulton, Ky.) explains the sub-treasury plan as having for its object:

The erection of suitable warehouses here and there throughout the United States, for the purpose of storing any and all kinds of produce. The farmer who raises tobacco, for instance, will be allowed to store his crop in one of the nearest of these, and draw 80 per cent of its value. The design is to store said crop or crops until such time as the de-

mand for same shall warrant its sale at remunerative figures. Such a plan will obviate the necessity of selling on any kind of market. To the thoughtful reader the plan is one that must commend itself from many considerations. One of the main arguments in its favor is that it will have the effect of inflating the volume of currency at the very time such inflation is most needed, viz., when the great volume of agricultural wealth, in the shape of corn, oats, wheat, rye, cotton, etc., is ready for market. The plan has the full indorsement of the National Union, and consequently deserves the support of every true Union man.

A correspondent writes to the Tennessee Watchman (Knoxville):

One of the functions of Government is to coin money and regulate its value. The present national banking system is not only indirect, but seems to have been adopted purposely to enable the money shark to set his drag net and intercept the flow of currency, and take heavy tribute before it reaches the destined channels of trade. It is not only unnatural but grossly unjust; a case of Government favoritism, odious and intolerable. Rather let the currency go first to those that have earned it, and need its first use—pledging ample security for its redemption. Reverse the machine and let currency have its natural flow; it would go hand in hand with the vital and prime productions of the earth, until all reach final points of destination, the flow without ripple or friction would reach the mechanic, the artisan, the merchant and manufacturers, and from these there would be a return flow to the warehouses, the places of deposit, the grain, the cotton, wool, &c., would all be bought, the houses depleted, the money redeemed and back in the Treasury during the year. This is the winding up of the first year's issue. Who has lost by it, or who has a right to complain? Where does the gold basis, or the necessity for it, come in? The scheme is certainly grand and feasible. Will the great body of producers stand by it and demand its enactment?

The action of the Kansas farmers in repudiating a Senator causes comment by many papers. Among others the Oklahoma Chief (Oklahoma City, I. T.) says:

What business have these mortgage-burdened corn-burners to study political economy and devise means of bettering their wretched lot? What business have they to set themselves up as censors of the political conduct of John James Ingalls? There are other and graver questions than the amelioration of the woful condition of the agricultural interests of the Republic—questions that require the senior Senator's constant attention. There are wrongs more heinous than the wholesale eviction of "muddy-legged rural roosters" from the farms they have toiled upon through years of discouragement, destitution and despair. There are sights more heartrending than the pioneers of the land driven from their hearthstones with the brand of penury upon their foreheads and the seeds of anarchy swelling in their hearts; sounds more pitiful than the moans of heart-broken women and the sobs of children crying for bread.

The Trader (Chicago) believes that the principal depression in agriculture is that farmers are fools. The paper is devoted to real estate speculation, and from that higher plane concludes:

But compulsory idleness or apparent want of work, as well as failure to get a good living out of fairly good land, are mainly due either to unwillingness or incapacity to adopt modern methods and appliances.

The Signal (Manhattan, Kan.) believes in diversified industries:

If our farmers would only turn their attention to the raising of castor-oil beans all would be well. The angel of prosperity would smile upon their labor, Ceres flop her golden wings in triumph, and every toiler in the land be filled with a sweet feeling of perfect peace.

The Arkansas Economist says:

Government warehouses have been built in several States for the purpose of storing liquors, upon which the uncollected revenue now amounts to about \$46,000,000, to say nothing of the cost of the buildings. Why can not the Government do as much for those who produce the grain as it does for the distillers?

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 7.

THE NATIONAL ECONOMIST

SATURDAY, MAY 3, 1890.

TABLE OF CONTENTS.

	Page
AGRICULTURAL DEPRESSION (Address of President L. L. Polk before the Senate Committee on Agriculture)	105
THE REMEDY STATED (C. W. Macune before the Senate Committee on Agriculture, April 22)	97
INFLATION	104
THE WORK OF ORGANIZATION	105
NET WEIGHT FOR COTTON	By A. Barnwell 102
THE REFORM PRESS	103

WASHINGTON, D. C.

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

President Polk's Appointments.

L. L. Polk, president of the National Farmers Alliance and Industrial Union, has accepted invitations to speak as follows:

At Chattanooga, Tenn., Wednesday, May 21.

At Winfield, Kau., Friday, July 4.

His purpose is to attend as many of the State meetings as practicable.

Lecturer Ben Terrell's Appointments.

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

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.

ILLINOIS.

Monday, May 5, at Olney.
Tuesday, May 6, at Centralia.
Wednesday, May 7, at Greenville.
Thursday, May 8, at Hillsboro.
Saturday, May 10, at Clayton.
Monday, May 12, at Clinton.
Wednesday, May 14, at Pontiac.
Friday, May 16, at Geneseo.
Saturday, May 17, at Morrison.
Monday, May 19, at Mt. Carroll.
Wednesday, May 21, at Harrover.

SOUTH DAKOTA.

Friday, May 23, Milbank, 1 p. m.
Saturday, May 24, Aberdeen, 1 p. m.
Monday, May 26, Britton, 1 p. m.
Wednesday, May 28, Webster, 1 p. m.
Thursday, May 29, Redfield, 1 p. m.
Friday, May 30, Clark, 11 a. m.
Saturday, May 31, Huron, 1 p. m.
Monday, June 2, Miller, 1 p. m.
Tuesday, June 3, Lake Preston, 7 p. m.
Wednesday, June 4, Madison, 2.30 p. m.
Thursday, June 5, Sioux Falls, 2 p. m.
Friday, June 6, Canton, 1 p. m.
Saturday, June 7, Parker, 1 p. m.
Monday, June 9, Mitchell, 11 a. m.
Tuesday, June 10, Yankton, 1 p. m.

INDIAN TERRITORY.

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

A \$125
Top Buggy
FOR \$65.00.

Other Buggies, Carriages, Broughams, Harness, and a thousand useful articles for same proportion send same day. Price Lists. CHICAGO SCALE COMPANY, Chicago, Ill.

T. A. CLAYTON,

Agent of the Farmers Union Commercial Association of Louisiana, Limited.

198 Gravier st., New Orleans, La.

Headquarters for purchase of Sugar, Molasses, Coffee and Rice, and for sale of Cotton, Staves, and all country produce.

Outfit and Sub-Alliance Supplies.

We are furnishing to the Sub-Alliances and State and County Secretaries one of the Best Outfits ever gotten up for the Order. We have carefully considered each blank, and have them in the most convenient style, printed on first class paper.

Price of Complete Outfits, with Charter	\$3.00
Price of Outfits, without Charter	2.50

THIS SEAL

Delivered at express office in Washington, D. C., for

\$2.00 EACH \$2.00

We also furnish a Stamp for Presidents, Secretaries, Treasurers, Lecturers, or any one desiring one, with name and address, for

50 CENTS.

This is a very useful article we are furnishing for
50 CENTS.

Anything in Seals, Stamps or
Pins we can furnish.

Address all orders to



J. H. TURNER, National Secretary,
WASHINGTON, D. C.

ALLIANCE AID ASSOCIATION.

PURELY MUTUAL—NATIONAL.

LIMITED TO

MEMBERS OF THE FARMERS ALLIANCE OF THE UNITED STATES.

Authorized by National Alliance. Organized to assist in upholding and perfecting the Farmers Alliance of America. Conducted by each State Alliance as a State department, but under central supervision.

Officers of State Alliances and experienced solicitors are invited to correspond.

N. A. DUNNING, ALONZO WARDALL, President,
Manager of Eastern Dept. S. D. COOLEY, Secretary,
511 9th st. n. w., Washington, D. C. Huron, South Dakota.

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

317 Olive Street, St. Louis, Mo.

SPECIAL ARRANGEMENTS TO HANDLE WOOL IN
LARGE OR SMALL QUANTITIES.

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

M. G. ELLZEY & SONS,
BREEDERS & FANCIERS.

Roadsters, Carriage and Saddle Horses, Southdowns (pure Walsingham Strain), Bronze Turkeys, Pit Games, Pigeons.

Address M. G. ELLZEY, M. D.,
WOODSTOCK, HOWARD COUNTY, MD.

CHICAGO SCALE CO.
151 South Jefferson Street, Chicago, Ill.
5-Ton Wagon Scale, \$40; 2-Ton \$20;
"Little Detective," \$3. Send for Price Lists.

HOLSTEIN-FRIESIAN
CATTLE FOR SALE.

On account of continued ill health, I am unable to give my personal attention to my cattle, and will therefore offer the entire herd or any portion of it at

VERY LOW PRICES.

Cows tested for butter and milk, ranging as high as 20 pounds of butter per week and nearly 18,000 pounds of milk per year.

A fine lot of yearling heifers bred, and a grand lot of heifer calves. Also a few bulls from highly-tested cows.

W. B. CLARK,
Goodlettsville, near Nashville, Tenn.

FARMERS We make the only SAW MILL in America that fully suits your purpose. Cuts 2,000 feet per day with 4 H. P., and 10,000 with 15 H. P.; larger sizes up to 50,000 feet per day. Also Portable Corn and Flour Mills, Water Wheels, etc. Send for catalogue. DELOACH MILL, M'F'G CO., ATLANTA, GA.

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., MAY 3, 1890.

No. 7.

THE REMEDY STATED.

Chairman C. W. Macune before the Senate Committee on Agriculture, April 22.

Gentlemen of the Committee on Agriculture of the Senate of the United States:

I address you in behalf of Senate bill No. 2806. This bill was introduced by Senator Vance, of North Carolina, by request. It emanated from the National Farmers Alliance and Industrial Union, an organization of farmers now extending over twenty-eight States, and which I have the honor to represent as chairman of its national committee on legislation.

The president of our organization, L. L. Polk, has already addressed you in behalf of this bill, and has, I think, shown conclusively that a depressed condition of agriculture does exist. I shall, therefore, consider this fact established, and briefly review one of the principal causes of the depressed condition of agriculture for the purpose of showing the necessity that makes the adoption of the measures proposed by the bill in question imperative at this time.

Much has of late been said and written as to the cause of the depressed condition of agriculture, and many efforts made to trace this deplorable condition to a single cause. Some of the arguments have been very ingenious and some absurd, but no effort to so simplify the question that all the ills could be attributed to one cause, and, therefore, relieved by a single remedy, have contained merit enough to gain anything like a universal acceptance by the masses of the people. Reports from other nations show that the farmers of America are not an exception, because the depressed condition of agriculture prevails in all thickly populated agricultural countries; in high tariff and low tariff countries; in monarchies, empires and republics; in countries having a single gold standard, a silver standard or a double standard; in those of high taxes or low taxes; in those with large standing armies or small ones, large navies and merchant marine or the reverse. All alike must acknowledge a depressed condition of agriculture in proportion as they are properly classed thickly-settled agricultural countries. This great fact is commonly cited by writers on this subject as a premise for the conclusion that since it prevails everywhere the causes are general and must be attributed to a combination of the

general conditions of material progress. Such conclusions, though common, do no credit to modern research and discrimination. They show a tendency to only accept such conclusions as point to the remedies most in accord with preconceived ideas. The true conclusion to be drawn from the admission that a general depressed condition of agriculture prevails as above stated, is that since it prevails everywhere in all thickly-settled agricultural countries, in proportion as they may properly be classed as such, it must depend in all countries upon like causes, and that those causes are probably of two kinds, one uniform conditions that prevail in all such countries alike, and the other local conditions that tend to augment the force of this general condition as population increases and agricultural pursuits predominate. The value and force of this conclusion is augmented by an examination of history, which will reveal the fact that this condition has always prevailed in all civilized countries during the past two or three hundred years, striking proofs of which may be found in the conditions of France, Poland, and Russia during that period.

A proper conception of such conditions as prevail with certainty in all thickly populated agricultural countries at all times would, no doubt, go far toward furnishing a key to a proper solution of the problem. There may be several, but it is only necessary at this time to refer to one, and that is a uniform custom of having either a medium circulating as money composed of material having an intrinsic value practically equal to its exchangeable value, or a redeemable representative of intrinsic value used as a circulating medium. The basis for both has, with only a few exceptions, been gold and silver. It is not now necessary to question the wisdom of making money from gold and silver or of issuing paper money redeemable in gold and silver. Such has been the custom, and it is certainly safe and conservative. The point of interest in this connection is, that the gross production of these metals is limited, and taken for a term of years together, shows great uniformity and stability; therefore, a circulating medium made from or based on these metals must of necessity be stable and uniform. These qualities have often been advocated as desirable attributes of the circulating medium, and so they would be if the wants and uses for a circulating

medium were at all seasons of the year stable and uniform, which they are not, and especially is it true that they are not in thickly populated agricultural countries. The wants and uses for money are not uniform and stable throughout the year in an agricultural country because agriculture secures the product of a whole year's productive effort at one time, and at once demands money for it all, and in thickly populated agricultural countries the surplus thus offered in exchange for money is greater in proportion than in thinly populated, and consequently the augmented demand in such countries for the circulating medium is during a very short period of the year. It is different with manufacturing and commercial pursuits; manufacturers usually turn off as completed and ready for market more or less every day or week, while those engaged in transportation and commerce—except when they handle the products of agriculture—make and complete their productive efforts continuously throughout the year with no particular preference to any one season. They therefore need a stable and uniform volume of this circulating medium. If, then, a country be composed entirely of manufacturers and those engaged in trade, transportation and commerce, a stable volume would exactly suit their requirements. On the other hand, should a thickly populated country be devoted entirely to agricultural pursuits the fact that they would practically demand circulating medium for a whole year's productive effort at one time, would cause such a wide and sudden range in the demand for money that a stable and inflexible volume of the circulating medium would utterly fail to meet the want, and in one season would be entirely too small and in another relatively too large, and thereby have the effect of a very unstable and fluctuating volume. There is no denying the proposition that a fluctuating demand must be accompanied by a corresponding fluctuating volume of the circulating medium in order to produce stability of price.

Apply these facts and considerations to the situation in this country to-day. It is a mixed country in its productive pursuits, largely agricultural and fast becoming thickly populated in the south and west, principally manufacturing in the north and east, and commercial throughout. The entire active circulating medium is less than one billion dollars. If it be granted that this is sufficient for the transaction of the business of the country on the average, which is a more liberal admission than the facts will justify, it can not be denied that the volume becomes extremely inadequate when in addition to its regular and customary duties, it is called upon in the last three months of the year to handle—perhaps several times—not less than four billion dollars worth of agricultural products. All political economists agree that volume is a relative term dependent on demand, and that fluctuations in volume are accompanied by like fluctuations in price. That is to say, a volume of circulating medium, be it one or fifty billions, if it be equivalent to the demand for its use will be attended with prices for all commodities that will increase as such volume becomes greater than the demand, and will decrease as such volume becomes inadequate to the demand. When, therefore, agriculture presents her product in the fall of the year and demands money, and imperatively demands it, to meet matured obligations, and creates a demand for money in excess of the possible

supply and greatly in excess of the actual supply which has been diminished by the manipulations of the exploiting class who desire by means of this scarcity to depress prices and purchase the products of agriculture for speculative purposes, prices fall invariably, as is shown by the records and statistics.

But this is not all. Not only does the small and inflexible volume of money develop the "power of money to oppress" by an artificial scarcity in the face of a season of great demand, thereby reducing the price of agricultural products below the actual cost of production, and at the same time compel the farmer to accept its dictates; but as his products are consumed it gradually becomes relatively superabundant, and during the season in which he is a purchaser of commodities, it raises general prices by virtue of the greater relation it bears to the demand. This shows conclusively that a stable and inflexible volume, be it great or small, cuts against the farmer by depressing prices when he has his product for sale, and augmenting prices in the spring when he buys supplies.

The remedy to exactly meet this condition is found in a stable volume sufficient to meet the wants of the occupations having a stable demand for money, and a flexible volume which will truly adjust itself to the fluctuations in demand of those occupations having increasing demand at different seasons. All these indications are fully met in the bill under consideration.

For convenience this bill may well be considered under two headings—one its *agricultural features*, and the other its *financial features*.

As an agricultural measure its provisions are peculiarly adapted to secure three extensive and important kinds of economy; first, *economy in large storage*; second, *economy in local freights*; and third, *economy in having the earnings in agriculture available*, like other occupations, without having to make sacrifices in price for the purpose of securing a portion of money, the purchasing power of which has been augmented by its scarcity. The fact that there is great economy in large storage needs no special demonstration, as every one must know or realize that the actual cost of constructing a single house suitable for storing a million bushels of grain is much less than to build two hundred houses that would hold five thousand bushels each, but the economy in the actual cost of the buildings is not the only economy of large storage. There is a great saving in the quality of house, and it is a well-known fact that grain is much better housed and preserved in well-built and conducted elevators than in the ordinary farm granary. It is not only better preserved from the weather, but from leakage and waste, and from rats and mice; none of these causes produce any waste in a well-conducted elevator. Large storage also enables the application of machinery, which is attended with greater economy in handling, a very important item of expense for such bulky products. Large storage also makes the entire product available at all times, in spite of bad roads and foul weather, and the reserve being always available has a tendency to prevent fluctuations and corners; a true economy of such great value as to be beyond estimate.

The fact that there would be a great economy in local freights, if the warehouse system provided for in this bill be established, is one easily understood. One of the greatest expenses now attending the trans-

mission of the crop from producer to consumer, is that attending the concentration of large quantities of farm products in the cities. To do this the product must pay local freights often equal to a through rate for many times the distance. These pay city prices for handling and rehandling, storage and insurance, which in the very nature of things must be comparatively high, and practically all can be obviated by the county warehouse proposed in this bill, because it entirely supercedes the necessity for concentration in the cities. By means of the modern facilities for the quick transmission of intelligence and the rapid transportation of freight, the product is just as effectually upon the markets of the world in the large country town, with railroad and telegraph, as it would be if stored in the largest city, and further, this system accords more perfectly with the most modern development of railway manipulation. Railways have combined in spite of a violent sentiment in opposition, and are still combining, and will continue to combine on the irrefutable ground that by combining they can improve the service and lessen the expense. This warehouse system proposes to make available to the people the true benefits that should flow from railway combinations, by utilizing these great systems in getting through rates of freight from all points to all the great markets of the world. Should this create a tendency to stop the growth of large cities, and be a corresponding stimulant to the small city and the large country town, it will be a very desirable state of affairs for a number of years, and will in the end provide a better foundation for the greater growth of the large cities. Another economy that will flow from saving the expense now incurred for local freights is, the product is held in its home county till demanded for actual consumption; it is, therefore, always ready for any route, and an excess is never shipped out as a result of the demand for money, which before the next crop is made must be replaced by shipments back to make up the deficiency. These are all true economies that certainly attend this measure, but by far the greatest economy attending the agricultural feature of the measure is the provision whereby the product as soon as prepared for market is made available as capital to meet obligations and supply wants, without being subject to a forced sale regardless of price. It is made available in this bill by providing that the Government shall take possession of it for the producer and preserve it, as it now does whisky for the whisky men, until demanded for consumption, and that when the Government takes possession of this, the most potential form of all value, because life demands it all for consumption every year, it shall issue against it up to 80 per cent of its local value treasury notes, which are an obligation to pay on the part of the Government equal to the value it holds in storage. This is certainly not lending money on the part of the Government, because its outstanding notes are a liability, not an asset. The producer, by having 80 per cent of his product available in the shape of money, will be enabled to supply his wants by cash purchases, at great saving compared to credit purchases, and will not be compelled to sell his product before the prices are satisfactory. Instead, therefore, of being compelled by the "power of money to oppress," to sacrifice the products of his whole year's labor at a season in which prices are by the same power crowded

down to the very lowest, he, by his independence of the power of money to oppress, could not be compelled to sell all at one time, and his own interest would soon impel him to sell regularly throughout the year about one-twelfth each month. Under such conditions nothing would interfere with the well established principles of the regulation of price by demand. A corner in these agricultural products would be as great an impossibility as Leon Say or John Stuart Mill affirmed it to be, and for the same reasons. Demand created by those seeking to purchase any considerable portion of the crop would be free to its natural tendency to augment price, whereas the lever by which corners are under present conditions secured is, the inflexible volume of money is reduced by hoarding large sums at the season and in the face of the great, sudden and imperative demand of agriculture for money, and the "power of money to oppress" by its comparative scarcity is applied to depress prices, which it does in spite of this tendency of artificial demand to raise prices, and the facts are that the farmer parts with his produce, not to a man who desires it for consumption as one would naturally suppose, but to a speculator, the implied understanding with whom is that the farmer wants money worse than the speculator wants produce, and therefore sacrifices in price must be made by the farmer. With the backbone of this monster of oppression broken a money corner would not be always available as now to act as a basis for pools, trusts and corners in agricultural products, and the farmer would realize for his produce all that the consumer pays for the same, less the necessary expense of handling and transportation.

The financial features and effect of this bill are positive and far-reaching, and therefore demand the most careful attention and study. For this purpose it will be convenient to divide it into four sub-heads: First, *safe*; second, *conservative*; third, *flexible*, and, fourth, *desirable*.

It is safe, because all the products against which it is proposed to issue treasury notes are demanded every year for consumption. This is conclusively proved by the fact that there is no surplus of either. None of them are perishable or liable in any way to deteriorate during the time provided for holding them, but if they occasionally should, the bill is still safe, because it provides for the rejection of any product not in good condition, and further provides for the collection by the Government of a fee for insurance, and this will be made to fully compensate for all losses. It is safe, because the consumption of these products does not depend on any contingency; life itself demands them, and guarantees that the treasury notes will be returned to the treasury, and the entire product consumed every year. It is safe again because no invention or discovery can possibly obviate the necessity for the consumption of these products or cheapen their production so as to depress prices below the margin allowed of 20 per cent. In fact, there is no way to gainsay the proposition that the provisions of this bill would be such a stimulant to agricultural production that its influence would be felt in all legitimate branches of productive effort, thereby guaranteeing a steady advance in general prices for a number of years. It is safe, because there is no possible chance for loss to the Government or evil effect upon any productive or useful industry of the

country. It is conservative, because while it provides for an increase in the actual volume of money in circulation at a season of the year when it is necessary to meet a greatly augmented demand for money, it at the same time provides for the retirement of such increase as the necessity for its use ceases to exist. It does not, therefore, increase the relative volume of the circulating medium, and is, therefore, in no sense of the word an inflation. The cotton crop is not an article of home consumption, and is, therefore, practically all marketed, and as its gross value is equal to either of the others affected by this bill, it has been chosen as the basis for the following table, showing at what rate of speed the crop of the year commencing September 1, 1888, and ending September 1, 1889, was placed upon the market. This table is compiled from the statistics found in the annual report of the cotton crop by Messrs. Latham, Alexander & Co., of New York, with the exception of the average local price for all grades for the year, which is estimated at nine cents per pound, a fraction higher than the highest estimate of any reliable observer:

1888 and 1889.	Proportion total crop marketed.	Average local value of amount marketed.	Value of gross consumption, including mth's named.	Value net prodct for deposit in w/ house at close month named.
Sept055	\$17,173,827.00	26,020,950	None.
Oct176	54,956,246.40	52,041,900	20,088,173.40
Nov.239	74,628,084.60	78,062,850	68,695,308.00
Dec.183	57,142,006.20	104,083,800	99,816,364.20
Jan.124	38,719,173.60	130,104,750	112,514,587.80
Feb.092	28,727,128.80	156,125,700	115,220,766.60
Mch.071	22,169,849.40	182,146,650	111,369,666.00
Apl.033	10,304,296.20	208,167,000	95,653,012.20
May014	4,371,519.60	234,188,550	74,003,581.80
June004	1,249,005.60	260,209,500	49,231,637.40
July003	936,754.20	286,230,450	24,147,441.60
Aug.006	1,873,508.40	312,251,400	None.
	1.00	312,251,400.		

In the first column of figures the proportion of the crop marketed is stated in decimals. The gross crop for the year is reduced to pounds, allowing 500 pounds to the bale, and multiplied by 9 cents as the average local price, which gives gross price of total crop as \$312,251,400. This amount is divided out in the second column of figures to the different months, exactly according to the amount marketed. The third column of figures represents the consumption of the total crop in twelve months, one-twelfth each month, and shows opposite each month the local value of the gross amount of that year's crop consumed at the close of that month. The third column of figures is made by subtracting the value of the gross amount consumed at the close of each month from the value of the gross amount marketed at that date. For example, the value of the amounts marketed in September, October, November and December are all added together, showing the gross value of the product marketed up to December 31 to be \$203,900,164.20. Of this amount, in four months, the value of actual consumption has been \$104,082,800, leaving a net product to the value of \$99,816,364.20 for deposit in the warehouses at the close of that month, provided every cotton producer in the whole country availed himself of the provisions of this bill. On the 31st of August the value of the gross product and the value of the gross amount consumed are an exact balance, conse-

quently there would be nothing on deposit according to these estimates. The greatest amount at any one time on deposit in the Government warehouses had this plan been in operation last year, would have been in February, and would have been of the value of \$115,220,766.60, and had 80 per cent of the value of same been represented by treasury notes the actual volume of the circulating medium would have been increased for a short time \$92,176,613.28. Taking these figures in regard to the cotton crop as a sample of the operations of this bill it is easy to estimate the probable amount of the transactions in the other products. These figures will be found in every case very liberal and calculated to understate rather than to overstate the side of the affirmative in this question; nevertheless they show with great force that the measure is very conservative, and that the measure will be attended with no inflation whatever; in fact they lead to the conclusion that the present circulating medium would not be more than doubled and that only for about a month at a time, when the products of agriculture demanded extraordinary investments. Now while it is true that the products of agriculture are equal to four or five times the actual volume of money in circulation they will not require an addition of the volume to that extent because a demand for money quickens the speed of circulation, which in a partial degree compensates for lack of volume, and a doubled volume is a safe and a conservative estimate of the addition required to do a quadruple business in the time allowed.

The financial features of this bill are conservative because they in no way oppose or interfere with the present financial system of Government or the national banking system. It is taken for granted that the daily and weekly business of the country needs all the money now in circulation by the Government and by the national banks, and perhaps more of the same kind, or any good safe kind. It is conservative again, because, as a financial measure, it involves only the same principles now in force in the national banking system, the only difference being one of detail and not one of principle, and that is instead of depositing bonds, which are nothing but an evidence of indebtedness and are, therefore, a promise to pay value, this bill provides that the value itself in the shape of a consumable product shall be deposited as a basis on which to issue treasury notes. There is an element of conservatism, justice, stability and certainty of security and solvency that does not attend the present system. It is conservative because it will be a cheaper basis on which to issue the treasury notes than the bonds are, for the reason that the Government pays interest at not less than 3 per cent on the bonds, while the agricultural deposits would ask no interest, and would more than pay all the expenses incurred, besides becoming in time a valuable source of revenue. In this connection the following table, showing the number of warehouses or elevators each state would be entitled to under the provisions of this bill, provided every county should avail itself of the plan. It does not follow that this will always be the case, but it will, no doubt, be the rule. The census of 1880 furnishes the data available for an estimate on this question. The decline in prices since that year fully meets the increase in production, except in the newer States. Though in many senses incomplete, no better data are at

hand. A rough estimate only can be made, but that given below is probably correct in the main:

State.	No. of counties.	State.	No. of counties.
Alabama.....	34	Nebraska.....	18
Arkansas.....	36	New Jersey.....	4
California.....	25	New York.....	8
Colorado.....	3	North Carolina.....	34
Connecticut.....	2	Ohio.....	41
Delaware.....	2	Oregon.....	8
Florida.....	4	Pennsylvania.....	20
Georgia.....	47	South Carolina.....	30
Illinois.....	48	Tennessee.....	26
Indiana.....	29	Texas.....	61
Iowa.....	41	Virginia.....	14
Kansas.....	42	Wisconsin.....	20
Kentucky.....	27	North Dakota.....	12
Louisiana.....	29	South Dakota.....	18
Michigan.....	27	Idaho.....	2
Maryland.....	6	Montana.....	1
Minnesota.....	26	Washington.....	3
Mississippi.....	47		
Missouri.....	22	Total counties.....	817

Of this number about 373 would be warehouses for the storage of cotton or tobacco, and 444 elevators for the storage of wheat, corn, and oats, and as there is never at one time subject to storage much over three hundred million bushels of these grains, the average capacity of elevators would be about 750,000 bushels. The most liberal estimates for the construction of elevators of that size do not exceed \$20,000 each, or an aggregate of \$8,880,000. The warehouses necessary for storing cotton and tobacco can be built at a much less cost, but counting them at the same price the 373 warehouses would cost \$7,460,000, and this very liberal estimate of the cost of construction of all the warehouses and elevators possible under this law would only be \$16,340,000. Of course this estimate is only designed to be an approximation, and as such is fair and reasonable.

The building of these substantial and useful buildings in the smaller cities and county towns of the rural districts will do much to encourage and develop growth and enterprise and be the means of establishing home manufacturing enterprises, thereby operating as a check upon the deplorable tendency toward the ruinously expensive system of concentrating everything in the cities. Encourage the growth of one good manufacturing town in each county, and much will be gained toward rendering farming prosperous. For example, there are not half as many flouring mills scattered through the farming districts of the country as there were twenty years ago. Then the farmer usually carried grain to the mill, and flour and bran back; but now the rule is to sell his wheat and buy patent flour. The great milling corporations have crowded the small miller to the wall because they were able to buy a year's supply of wheat at a time when the market was lowest, and since he is crowded out the farmer is compelled to pay freight on both his wheat and flour. With the wheat at home until demanded by consumption, there would be no such advantage to the capitalist.

Again, it is conservative as presented in this bill, because it is limited to only five of the leading articles of agricultural production. True, the principles involved once admitted and demonstrated to be correct by experiment can not in justice be confined by an arbitrary limit to five or any other number of agricultural productions, as all products of labor can and will justly demand a like recognition. But

while it may be proved to the entire satisfaction of every one to be correct in principle, its introduction must be guarded by many details calculated to prevent abuses, and these details, many of them, can not be foreseen, but must be gathered by experience. Therefore, the introduction and starting of this machinery is to a great extent experimental, and it is the part of a true and wise conservatism to proceed with safety and caution, admitting as few articles as possible until all the joints are well lubricated and in good, smooth working order.

The necessity for a flexible feature or quality in the circulating medium of this country has already been shown incidentally. This has always been recognized by economists, but the march of material progress in recent years, whereby the whole world is converted into a daily market, has intensified this necessity by shortening very materially the season in which the products of agriculture are marketed, thereby shortening the period of and intensifying its demand for money and creating a correspondingly greater variation between the adequacy of volume to demand at the different seasons, thus making what the earlier economists considered an element of minor importance in the disturbance of prices, one of the most important agencies for that purpose at the present time. In this connection the following maxims are offered as concise statements of ultimate truth in the premises:

A fluctuating demand for money met by a fixed or inflexible volume, whether great or small, will be attended with fluctuating prices.

A stable, fixed and regular demand for money met by a fluctuating volume will be attended with fluctuating prices.

A fluctuating demand for money, met by a volume that fluctuates exactly to correspond with the fluctuations in demand, will be attended with stability of prices. These are offered as ultimate truths that can not be ignored.

The desirability of the measures proposed by this bill have now been shown from every conceivable standpoint. There has not been in any country an exact precedent for this bill in every particular, but there is abundant precedent in this country, in France, the Argentine Republic, for the warehousing of products by the government, and also there is precedent in this Government and in most of the civilized governments of the present day for the Government to take possession of value and issue circulating media against it. This plan has now been published thoroughly by the press of the country for four months, and has, perhaps, been more thoroughly discussed by the people than any legislation proposed for years. It has also been extensively criticised, but in no instance has criticism been a legitimate question of the principles involved. It has usually been upon detail not provided in the bill, or upon a misconception of its provisions or workings. A fair sample of the criticism indulged in is the published attack of Representative Oates, of Alabama, in which he proves and displays nothing but his complete ignorance of the bill and the laws of this country, and shows a remarkable amount of blind prejudice.

In conclusion, gentlemen, from the considerations herein set forth it is fair and conservative to say that the passage of this bill would injure no necessary or legitimate business interest in this country, and that

it would with great certainty place the agricultural interests of the whole United States upon a safe, satisfactory and prosperous basis. It would add to the importance of home transactions and home industries in the rural districts, thereby increasing the growth and prosperity of the county towns, and only call upon the large cities to be content with a less rapid growth until the development of the country should provide a better foundation for their permanent growth. It would relieve productive effort from "the power of money to oppress," which is to-day the most potent influence tending toward the concentration of wealth in the hands of a few, which in turn is the greatest menace to the stability of American institutions. Money, stripped of its "power to oppress," would no longer be hoarded away from legitimate productive effort that it might secure the greater gains that flow to such doubtful methods, but would seek investment in productive enterprises, and, as the freebooter when he finds robbing no longer practicable goes to work and becomes a useful citizen, so money, when production became its most profitable channel, would join labor as its true adjunct for the purpose of blessing mankind with all the happiness that can by honest effort be secured from the great storehouse that a benign and wise providence has provided in nature.

Net Weight for Cotton.

BY A. BARNWELL, OF MACON, GA.

It has not yet been established. It is essential to the users of light-weight coverings. How, and when, and where must the effort be made to get it adopted? These are questions which are of vital importance to the cotton-planting Alliance men, and the man who fails to recognize this has not intelligently studied the question; those who are unwilling to give it their attention cannot claim to be alive to the interests of these men, and those who fail to take the necessary steps in this matter deserve to lose the confidence of these "cotton-producing Alliance men." If I be wrong in these propositions I invite correction.

Under the tare now allowed (in price), equal to 30 cents per bale, those planters who use light bagging sacrifice the difference in weight—that is clear.

Now, who are the men that in the event of failure to secure net weight must sacrifice themselves? The best and truest of the order, those who stick. Should they sacrifice? Yes, if absolutely necessary to gain an important point; no, if otherwise. What point is to be fought for? If to beat the jute gouge, that has already been done in reducing the price. Do it by the men who made the sacrifice last year, and can be repeated if necessary, unless these men are impoverished by fighting wind-mills or slaughtered in a charge as reckless and as useless as the six hundred made at Balaklava. If the point be to show the grit and determination of the Alliance in fighting an enemy, but shall a gallant few be compelled to bear the cost of a fight for the common cause? Manifestly, no! What then? Just one of three things. Secure net weights for cotton. Pass on the hat and raise a bagging fund to equalize the loss the users of cotton-bagging, or else secure the fruits of last year's bloody fight and save ammunition for the next foe.

Of course net weight for cotton eliminates loss from the difference in weight of bagging and reduces the loss to the difference in price between cotton and jute,

which the farmers can stand if the cotton mills are reasonable. Can this be done, and how, and where, and when?

First, it can only be done by mutual consent, of buyer and seller. He who says otherwise is deficient in common sense, to say the least, common business sense. It must be done now when the strain of the season is not on. To attempt it when cotton is coming in would be as vain as to attempt to build a dam across a stream during the winter freshets in place of during the summer drouth; besides any attempt to hold back the crop, in order to force this issue, could only apply to the cotton in cotton-bagging; the rest would go over the dam and inevitably break it down. So then the issue must be made now and must be through the mutual agreement of the cotton exchanges. Where must this be done? Of course on the floor of those exchanges, and unless it can be done there it cannot be done elsewhere. Again, I say who does not know this is lacking?

Who compose these exchanges? The merchants who buy for the trade and the merchants who sell for the farmers. Then the farmer is represented in the exchanges? Of course he is, at least in name, and now is the time to test the worth of that representation. If on the floor of any exchange it can be shown that the farmers desire adoption of net weights for cotton, then those merchants who truly represent farmers will advocate that measure. If the measure prevail they will get the benefit of their faithfulness to their farmer friends. If it fail they will at least have put themselves on record. How could this be done? Why, by accredited agents representing farmers visiting those exchanges and making there the issues in a business-like manner. Each exchange could take action based upon the event of concurrent action, and the entire matter settled before next season opens. Can this be none? Certainly. Will it be done? That is what I want to know.

LAY'S LANDING, N. J., April 14.—The misfortune which has come upon the farmers of the town of Germany, causes intense excitement all over Southern New Jersey. Sheriff Johnson, of Atlantic county, has sold within the last two days 200 farms to satisfy mortgages which have been foreclosed. One of the farmers evicted was Gen. Long. His misfortune made him crazy and on Tuesday night he set fire to his home and burned it to the ground, dying himself in the flames. Another farmer, Fred. Wersho, has barricaded himself in his house, and announces his intention to keep possession or die.

This brings conclusive evidence that Kansas and Michigan are not the only sections of the country that are cursed with the mortgage system. This proves the assertion advocated by the Alliance papers that the difficulty is not local but general, not sectional, but national; that the same cause which brings about evictions in the west, brings about mortgage foreclosures in the east; and the same financial policy which puts the mortgage on the farm in Kansas, places it on the farms of New Jersey. Is it the race question? Is it the service pension bill? If it is not, why does Congress idle away its time instead of making laws that will give the people relief?

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Washingtonian (Leesburg, Va.) puts it well. The diagnosis is correct, the prognosis is true, and the remedy sufficient. More money and less taxes is a prescription based upon sound judgment, and is "in its simplicity sublime," but to be effectual must be had right now. Senators and representatives should heed the demand of the people for more money and less taxes.

Several weeks ago in commenting on the business outlook, we advised a prudent policy as to the contraction of debts and speculations of all kinds. The business of the country is in a doubtful condition, the stock markets and the general trade condition indicate a decided want of confidence. The basis of permanency in trade is the agriculture of the country, and when that is not remunerative, but actually on the losing scale, we can not look for any solid success in lines of business, all depending upon it. When the foundation of a superstructure is giving way, it is wise to stand from under, as it is pretty certain you will "hear something fall." That is the condition of the business of this country now. If Congress fails to give relief by relieving us of taxation and in strengthening the currency, we may with a fearful degree of certainty look for disastrous results in general business and commercial circles.

The Cottage Home (Texarkana, Ark.) has a way of its own:

Congressmen are everywhere anxiously asking the farmer constituents "what they want." And these seekers after re-election are getting right down on their knees and swearing to "do anything for the dear people," if they can only find out what the dear people "want." In our humble opinion a Congressman who has not been able to find out what his constituents need by this time had better stay at home and try his hand at pounding sand into a rat-hole.

The Farmers and Laborers Union Journal (Batesville, Ark.) has a word to say:

The Farmers Alliance and Industrial Union does not desire to injure any political party, but if these old parties stick up their hydra-heads and thus impede our progress, they shelter in their own blood. The greater number of individual adherents of each party is right in their heart, but when the policies and platforms of their respective parties are dictated by such leaders as are now at their heads, they prove a means of furthering the schemes of trusts, monopolies, bankers, railroads and speculators. Make your party be right and do right or else leave it at the feet of its unholy gods and idols.

The Kansas (Newton) Commoner says:

Slowly the people of this country are beginning to see that the three general questions of money, transportation, and land are those which are coming up for discussion and decision. Government loans at a low rate of interest is the answer to the first. Government ownership of railways and telegraphs answers the second, and the exemption of a moderate homestead to each family from all taxation, execution, or other processes of law settles the third. Then the producer of wealth would be protected in the possession of the fruits of his toil, labor would rejoice, and peace and contentment revisit the homes of our anxious and careworn mothers and fathers. Get right on these three questions. Or are you too old to learn?

The Alliance Tribune (Topeka, Kan.) Why not?

While Congress is pretending to enact laws that will benefit the people and control the combines, would it not be well for them to do something practical, for instance, fix by law the maximum rate of transportation by rail, allowing 4 per cent per annum upon the actual cost of construction and operating expenses. This is the first step toward the Government owning the entire railway system of this country, and this is the proper solution of this whole transportation question.

Rice County Eagle (Lyons, Kan.) exactly the size of it:

Alliance editorials are taking up a great deal of space in the party papers just now, and make very instructive, as

well as amusing reading. Their editors are perfectly enamored with the Alliance, and only desire to see it succeed. It has a great work to accomplish, and they, of all others, wish to see it grow, and prosper, and spread until it shall regenerate and purify politics; and the only way to do it is for their members to walk up and support the nominees of their party for office. Otherwise the Alliance would degrade and destroy itself by dabbling in the corrupt filthy pool. The farmer should have all they ask for, and will get it if they stay out of politics, etc., etc. Altogether there will be, perhaps, a column in this strain, and further on a quarter column calling their "demands" "idiotic measures," "absurd," and their originators "demagogues." Oh, yes, they love the laboring classes and wish to see them make money—but they want legislation so shaped that the other fellows will get it in the end. They are amusing, because they get on both sides, and no matter which comes out ahead, they can quote what they said and claim to have been a staunch friend of the winners. They are instructive, as a little thought will convince the reader they are no friends of the people's interest.

Climax (Mo.) Advocate; always vigorous.

One farmer as a national legislator for every 500,000 persons engaged in farming; one lawyer as a national legislator for every 213 lawyers. Is it any wonder that when this state of affairs exists in the popular branch of our national Legislature that trusts and combines prey upon agriculture? Who but farmers themselves are to blame for this unequal distribution of legislators? Correct this evil and this spawn of the devil called over-production will vanish at once.

The Weekly Union (Butler, Mo.) says:

It is a fact worthy of notice that almost all the ridicule, criticism, and opposition so far shown to Stanford's plan of Government loans to the people come from bankers and mortgage trust companies. They say it is "impracticable, foolish, and impossible." This is pretty substantial evidence that the people are on the right track, and that its adoption would afford them relief.

The Alliance World (Rome, Ga.) reports:

An exchange says the Alliance warehouse at Griffin, Ga., has received nearly twelve thousand bales of cotton this season. It has \$4,500 in bank and all expenses paid, and has declared a dividend of 45 cents per bale, which amount goes to the members of the Alliance.

The Arkansas Economist (Searcy, Ark.) puts it this way:

Politicians are queer people. They are very much in favor of the farmers organizing, but whatever they do they must not have anything to do with politics, says the Progressive Farmer. That's a little queer, isn't it? Farmers are citizens; they are tax-payers; they are voters. Have not they a right to vote as they please? "Oh, yes; but they'll ruin their organization." Why ruin it? Your party is an organization, isn't it? It has something to do with politics, doesn't it? Does it ruin it? No, but it has well nigh ruined the country. We do not advise our organization to go into the candidate-making business; that is not what the Order is for; but still farmers have a perfect right to do such things if they wish to, and they have a right to take their own methods of doing it.

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

The decision of the United States Supreme Court in the matter of railroad charges in Minnesota, emphasizes the fact that the only solution of the railway question that will insure peace between the corporations and the people, and give entire satisfaction to the latter, is the Government ownership of railroads. Denouncing railroads, condemning courts, and changing constitutions will do no good. There is an irrepressible conflict between the over-capitalization of railroads and the people, and the cause of the conflict must be removed if the conflict is to end. Government ownership is the only press that will squeeze the wind and water out of our natural monopolies, and therefore Government ownership is the one consummation upon which the people must insist.

The Stephensville (Tex.) Headlight; true every time:

It is indeed strange to think of the amount of hardships, expense and sufferings borne together with the chivalry and patriotism displayed by the people of this country rather than submit to a king in politics, and yet how patiently do they endure they more than kingly prerogatives exercised by the few over our transportation and products.

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

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

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

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

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

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

MAIL MATTER.

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

INFLATION.

The contempt which the average banker assumes towards the term "inflation" is only equalled by the hypocrisy with which he puts the condition it defines into practice. It is a fact of which a moment's careful consideration will satisfy the most skeptical, that at the present time the banks are the only institutions in this country which put their trust and base their business transactions almost entirely upon "inflation." There is no very great inflation in 50 cent wheat, 10 cent corn, 8 cent cotton, 2 cent beef or 50 cent day's work. Nor is there in cotton cloth at 5 cents per yard, a suit of clothes for \$4, or a top carriage for \$35. In other words, the inflation is entirely eliminated from the raw material or manufactured article except when accompanied with a monopoly advantage of some character. Inflation has been taken out of the products of agriculture, and prices have fallen fully 60 per cent. Inflation has been lost to the retail trade, and its profits have almost ceased to exist. Regular lines of manufacture are no longer remunerative because of the changed conditions of the farmer, laborer and the retailer. Unprofitable agriculture brings loss to the retailer and poor business to the manufacturer. With these three prime factors of the nation's financial economy in distress, how long can the others remain unaffected? Trusts, corporations and combines have heretofore fattened and thriven upon the farmer, the retailer and manufacturer. In order to do so immense fortunes have been jeopardized and frightful risks have been taken, and as a natural result enormous profits were an absolute necessity. In the course of this inflation of both credit and profits, the banks have not only received their

share of these profits, but must much sooner than they anticipate realize that they too have taken great chances. Hard times have lessened the price and profits of everything tangible, but have failed to reach either bank securities or bank profits. They are inflated as in years gone by, and are demanding the same amount of tribute from farmers, laborers, retailers, and manufacturers now, as when inflation increased both price and profits. The watered stock of the railroad, express company, telegraph company, insurance company, or any and all of the numerous corporations and combines, demand as much in profit now, as when a dollar was worth less than half as much as it is at the present time. Does any one think this unequal distribution will never end? That this gross discrimination will always continue? The signs of the times indicate a radical change of affairs in the near future. One of two conditions must obtain soon, either the profits of labor in production must be increased or the tribute demanded by corporate power must be materially diminished. The time has come when the very existence of the corporate powers of this country depend upon an immediate advance in the price of labor and its products. At present the banks are loaded down with stocks and bonds hypothecated at a price far beyond their real value. For example, Mr. Hudson says, out of the total railroad capital stock reported at \$8,129,787,000, one-half is absolutely fictitious and worthless. The national and private banks and trust companies that reported last year were carrying loans amounting to over \$5,000,000,000, a large portion of which was based on collateral of this character. It is a matter, therefore, of the utmost importance to every citizen of this country to know if the banks, sooner or later, will be compelled to realize upon their stocks and bonds held as security. When that time comes the banks, corporations, and combines will of necessity pass through the same squeezing, depleting process that all other species of business has in the past. Then the inflation which they have talked so much against and practiced so energetically will be taken out of stocks, bonds, and profits, and all the branches of business and production will stand upon the same level. The uneasiness noticed in banking circles, the watchful care given to financial legislation, and the unwearied efforts made to deceive and divide the people may all be traced to the dread of the approaching day of reckoning. When inflation is taken out of the stocks and bonds, the people will have lower rates of freight and interest; will pay less for railroad fare and telegraph service. In fact, every expense of the farmer will be regulated to 50-cent wheat and 10-cent oats. Under these conditions, would it not be a benefit to a large majority to have this inflation taken out at once?

THE WORK OF ORGANIZATION.

Never within the history of organization has there been such activity in spreading its beneficial effects among the producers. The National Alliance and Industrial Union has within a few days planted its outposts on the Pacific, one sub being chartered in Washington and four in California. The work which so auspiciously began in Pennsylvania and New York recently is making return in reports quite frequently received, and April 26 a State Alliance was organized in Indiana. New Jersey has added to the number of locals recently, and two counties in Maryland have had subs located within them which until recently have been unoccupied. Meantime, work is proceeding in the other States, and Michigan will doubtless have its State Alliance in a few weeks, while Ohio and Illinois will probably join the procession. While the newer organizations are growing, the first States organized seem more solid than ever. The officers of the Western States say they can scarcely meet the demand for organizers, and in the cotton States domicils are found for new subs in counties which were supposed to be perfectly covered. A most unfortunate misunderstanding in Texas has been straightened out, and consolidation is the watchword of the Order in its mother State.

The Knights of Labor, now on most amicable terms with the Alliance everywhere, also reports a very gratifying increase in membership and a healthy strengthening in sentiment. It looks as though the rule of the common people would yet be assured.

THE space of THE ECONOMIST is largely taken up this week with the statements of the president of the order and the chairman of the executive board. The usual discussion of current topics is omitted necessarily, but will be renewed with the next issue. Friends of the cause everywhere will appreciate the matter placed at their disposal, and no doubt this will be one of the most valued numbers yet issued.

THE Journal of the Knights of Labor (Philadelphia) has published the first of a series of letters from the pen of General Master Workman Powderly, which deal with the political situation and the probability of forming a new party, to be composed of the industrial forces of the United States. The deductions of Mr. Powderly will be awaited with interest by all who study sociologic questions.

THE plan of ignoring the existence of the Alliance is abandoned by the party henchmen, and side-tracks will be laid most assiduously. The farmers, however, will avoid the switches and stand by their demand for more money and less taxes. Their money will be based upon the wealth of the nation, not its debts.

AGRICULTURAL DEPRESSION.

Speech of President L. L. Polk before the Senate Committee on Agriculture.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: A convention of representative farmers was held in the city of St. Louis, December 3, 1889. That body, known as the National Farmers Alliance and Industrial Union, represented twenty-three States and a constituency approximating, at that time, fifteen hundred thousand voters. Since the convention of our fathers, which gave us our national Constitution, no body of men has assembled in this country who were more profoundly impressed with the gravity of the situation, or were actuated with higher motive or more patriotic purpose. After a calm, dispassionate, and earnest investigation of the conditions and causes which have led to the wide-spread and alarming depression that has paralyzed the great agricultural interests of the country, they outlined what they conceived to be a measure of relief. They appointed a committee on national legislation, which, under their instructions, has formulated and presented to both houses of Congress, a bill embodying, as it believes, a safe, proper and just solution of the financial trouble which threatens the agricultural interests of the country with bankruptcy and ruin. I refer to Senate bill No. 2806, introduced into your body by Senator Vance, of North Carolina.

As faithful representatives, you must be satisfied as to whether the conditions and necessities of the country are such as to justify or require legislation in this direction. And whatever may be your conclusions as to the particular method here presented, of one thing I feel assured, the spectacle—unparalleled in all our history—of fifteen hundred thousand farmers—quiet, unobtrusive, law-loving, law-abiding, conservative farmers—standing at the doors of Congress demanding relief, must at least command your respectful, patriotic, earnest, and profound consideration.

With kindly climatic conditions, with varieties of soil admirably adapted to the successful cultivation of all the staple products demanded by commerce, with transportation facilities equal to the productive power of the country, with the world as his customer, with all the natural facilities and conditions for making his home the happiest, the most prosperous, the proudest heritage which the God of nature ever vouchsafed to man, urgent and extraordinary indeed must be the exigencies which thus impel the farmer to break his long and wonted silence.

Never in our history have we witnessed such marvelous progress and development as has marked the two past decades. The flourishing growth of cities, towns, and villages, the rapid expansion of our railway system, the unparalleled prosperity of manufacturing enterprise in all its departments, the easy and ready accumulation of prodigious fortunes, all conspire to impress the superficial observer with the happy belief that all departments of effort and all interests share in common this apparently unparalleled condition of prosperity. We are, therefore, not wholly unprepared for the argument presented by some, even in high official position, that our straitened financial condition as farmers is largely, if not entirely, due to the munificent and bounteous provi-

sions of a merciful Providence. Nor, indeed, in the wild rush of this almost bewildering progress are we surprised to hear, in response to our earnest protestations of suffering and distress, a proposition to send a commission at heavy expense throughout the country to visit money centres and marts of trade, to investigate and report whether or not, after all, this universal cry for relief by the wealth producers all over the land, does not proceed from their total misconception of the situation.

In justification, therefore, of this most unusual proceeding on the part of the farmers in applying to the law-making power for relief, we must appeal to facts and truth—facts as substantiated by statistics, and to the truth of history—and I shall endeavor to present nothing which is not derived from and supported by official records. Testimony carrying with it the argument, rather than argument itself, is what is desired.

DECLINE IN AGRICULTURAL VALUES.

In 1858 the farmers of the United States owned 70 per cent of the total wealth of the country. In 1860 they owned about one-half the wealth of the country. In 1880 they owned about one-third the wealth of the country. In 1889 they owned a fraction less than one-fourth of the wealth of the country.

DEPRECIATION IN THE VALUE AND ACREAGE OF FARMS.

In 1860 the value of farms.....	\$6,645,045,007
In 1850 the value of our farms.....	3,271,575,421

Total increase of value in 10 years.....	\$3,373,469,586
Average yearly increase in value	337,346,958

Now take the 20 years following:

In 1880 the value of farms.....	\$10,197,096,776
In 1860 the value of farms.....	6,645,045,007

Total increase of value in 20 years.....	\$3,352,051,769
Average yearly increase in value.....	177,602,588

That is, the average yearly increase in the value of our farms dropped from 10½ per cent, as in the years 1850 to 1860, to 2½ per cent, as in the years 1860 to 1880. And this fearful depreciation in the value of our farms, occurred during a period of unexampled prosperity and development in the commercial, financial and manufacturing enterprises of the country.

Acres.

Again, increase of the acreage of farms from 1850 to 1860, was	113,640,000
Average yearly increase	11,364,000
Increase from 1860 to 1880, 20 years.....	128,881,835
Average yearly increase.....	6,444,990

That is, the increase in the farm acreage from 1850 to 1860, was 38 per cent, while, from 1860 to 1880, it dropped to 31 per cent. This heavy decrease took place during the same prosperous period to which I have referred and during which the population of the country had more than doubled:

Per cent.

From 1850 to 1860, farm values increased.....	101
From 1860 to 1870, farm values increased.....	43
From 1870 to 1880, farm values increased.....	9

Yet, notwithstanding this alarming decline in farm values, the aggregate wealth of the country increased from 1870 to 1880, 45 per cent, and the agricultural population increased over 29 per cent.

AGRICULTURE AND MANUFACTURING.

It may not be uninteresting or uninstructive to notice in this connection the comparative progress between agriculture and manufacturing.

From 1850 to 1860 agriculture led manufacturing in increased value of products 10 per cent. From 1870 to 1880 manufacturing led agriculture 27 per cent, showing a difference of 37 per cent in favor of the growth of manufacturing.

The exports of American labor products show equally disparaging and discouraging exhibits:

Agriculture. Manufactures.
In 1881 \$730,394,943
In 1888 500,840,086

\$89,219,380
130,300,087

An increase during these seven years in our exports of manufactures of 46 per cent, and a decrease in those years of agricultural products of 31 per cent.

VALUES OF STAPLE CROPS.

In 1866 the wheat, corn, rye, barley, buckwheat, hay, oats, potatoes, cotton, and tobacco sold for.....	\$2,007,462,231
The same crops for the year 1884, eighteen years later, sold for.....	2,043,500,481

Notwithstanding the cultivated acreage had nearly doubled, and farm hands had doubled, and agricultural implements and machinery had vastly improved, yet the crops named for the year 1884 sold for only thirty-six millions, or less than 2 per cent, more than they did for the year 1866.

The average price of our cereal crops in 1867 was very nearly one dollar per bushel, and in the year 1887 it was less than fifty cents per bushel. The loss on the crop of 1887, as compared with that of 1867, was over thirteen hundred million dollars.

For ten years from 1867, the average value of yield per acre of oats was \$12.10. For the past six years the average value has been less than eight dollars, and is lower to-day than ever before in our history. For the period named, the average value per acre in yield of wheat was \$14.39; for the past six years it has been less than \$9. For the period named the average value per acre in yield of corn was \$14.16 for the past six years it has averaged less than \$9 per acre. The average value per acre in yield of all our crops in 1867 was \$19; in 1887, twenty years later, it was about nine dollars.

To show that this depression in prices, this shrinkage in values, does not proceed from local conditions and is not confined to any section, or crop, or department of husbandry, let us examine the statistics of the four leading staple crops of the country:

WHEAT.

Crop.	Bushels.	Price.	Value.
1885.....	421,086,160	\$1.10	\$463,194,776
1889.....	490,560,000	.86 to-day.	421,881,600

As will be seen, the crop of 1889 exceeded the crop of 1885 by 69,473,840 bushels, yet the crop of 1885 would have brought, at point of export, \$41,313,186 more than that of 1889.

The wheat crop of 1880, although 41,090,595 bushels less than the crop of 1889, would have brought, at point of export, \$280,036,551 more money.

1860 to 1870 average price per bushel.....	\$1.99
1870 to 1880 average price per bushel.....	1.38
1880 to 1887 average price per bushel.....	1.07

Price to-day .86 cents at point of exports.

So that the wheat farmer to-day pays of the products of his labor two and one-third times as much for a dollar as he did from 1860 to 1870.

CORN.

Crop.	Bushel.	Value.
1888	1,987,799,000	\$677,561,580
1889	2,112,892,000	597,918,820

So while the crop of 1889 exceeded that of 1888 by 125,102,000 bushels, yet it would have brought at point of export \$79,642,760 less money.

1860 to 1870, average price per bushel.....	96 cents.
1870 to 1880, average price per bushel.....	63 cents.
1880 to 1887, average price per bushel.....	46 cents.
Price to-day.....	37 cents.

So that the corn farmer to-day pays in the products of his labor over two and one-half times as much for a dollar as he did during the years 1860 to 1870. Indeed, throughout the great corn belt of the Northwest and West, it is claimed that he cannot sell it to-day at a price covering the cost of its production. The State Board of Agriculture of the great corn State of Illinois recently published officially that the farmers of that State lost on the corn crop of last year \$9,935,823; that is, it cost that much more to produce it than it is worth on the market.

The yield of the three great staple crops of corn, wheat, and oats for 1889, exceeded the yield of 1888, by 242,355,840 bushels, and yet the crop of 1888 was worth \$144,599,178 more to the farmers.

COTTON.

Crop.	Bales.	Price.	Value.
1871.....	4,352,317	20 cents.	\$891,708,630
1887.....	6,513,623	10 cents.	293,093,035

So that the crop of 1871 was 2,161,306 bales less than the crop of 1887, yet it brought the cotton farmers \$98,613,595 more money. The two crops of 1886 and 1887 aggregated 13,063,838 bales, three times as many bales as the crop of 1871, and yet these two crops brought our farmers only \$196,164,080, or about 50 per cent more than the crop of 1871.

In 1870 the value of agricultural lands in the ten cotton States was \$1,478,000,000. In 1880 they were \$1,019,000,000, a decrease of \$459,000,000, or 31 per cent.

Crops.	Cents.
1860 to 1870, average price per pound.....	48½
1870 to 1880, average price per pound.....	15 7-10
1880 to 1887, average price per pound.....	11
Price to-day, 11 cents.	

So that the cotton farmer pays in the products of his labor over four times as much for a dollar as he did in the years 1860 to 1870.

If a farmer had given a mortgage in 1870 for \$1,000 he could have paid it with 1,052 bushels of corn, but if he has paid one-half of it, the remaining \$500, without interest, would now require 1,351 bushels of corn to pay it. He could have paid the \$1,000 with 606 bushels of wheat in 1870, but if he owed \$500 of the debt to-day it would require 593 bushels to pay it. He could have paid the \$1,000 in 1870, with 10 bales, or 5,000 pounds of cotton, but if he owed \$500 of it to-day it takes 10 bales, or 5,000 pounds to pay it. In other words, the farmer must pay his debts with the products of his labor, and he must work twice as hard, and give twice as much cotton, corn, or wheat to-day as was required in 1870, to pay the same debt.

But we are told by those high in position that the law of supply and demand controls prices. That may have been true before the operations of this ancient law of trade were practically supplanted by the more imperious law of greed, as now enforced under the mandates of monopolistic combinations for the pillage of honest labor.

In 1881 we produced 498,549,867 bushels of wheat or 9½ bushels per capita, and its price was \$1.15 per

bushel. In 1889 we produced 490,560,000 or 7½ per capita and its price is 79 cents per bushel. We should not forget that the financial history of all countries and of all ages shows that the law of supply and demand, as applied to money, is inexorable and never-failing in its operations. Scarcity of money has never failed to enhance its price; a plentiful supply means cheap money. A contraction of the circulating medium always raises the price of the dollar, and as a natural result, it always depreciates the price of labor products. Nothing can so surely control or annul the law of supply and demand in labor products, as a reduction of the volume of currency below the legitimate requirements of business and trade.

But granting that the law of supply and demand is in full force and effect, there are two ways in which prices change under this law. Either a change in demand, supply remaining the same, or a change in supply, demand remaining the same. But I assert, and statistics will sustain the assertion, that there has been no change in the great staple products relatively to demand or to population to justify this great depreciation in prices. unquestionably the demand has not diminished.

Where then has been the change? Has the weight of the dollar been increased? Has the area of our acre of land been curtailed that it should have fallen in value from 33 to 50 per cent? Does not a pound of beef weigh now 16 ounces? Do we not now measure our wheat or corn by the same measure? Does not the cotton farmer give now the same number of ounces to every pound? Has the change been made in the quantity or quality of the commodity, or has it been made in money the measure of its value? This is the great question that the farmers of the country desire and expect this Congress to explain.

But I apprehend that the most zealous advocate of the theory that the law of supply and demand controls the prices of products, would not attempt to claim that it is applicable to all farm values. Farm lands all over the country have shared the general depreciation or shrinkage in values, and in this, perhaps, is to be found the clearest and most undeniable proof of the alarming depression which prevails among the agriculturists of the country. Let us look briefly at the condition of the farmers in some of the representative States of the different sections of the country.

In Massachusetts the value of the farm lands in 1875 was \$116,629,849. In 1885 it was \$110,700,707, a loss in 10 years of \$5,929,142. In 1865 that State produced 70,000,000 pounds of beef, and in 1885, twenty years later, it produced only 10,000,000 pounds. In 1845 it produced 1,015,000 pounds of wool; in 1865 609,000 pounds, and in 1885, 255,000 pounds.

The farm lands of the New England States:

Value.

<tbl_r cells="1" ix="2" maxcspan="1" maxrspan="1" usedcols="1

1866 the farmers of Georgia owned 72 per cent of the wealth of the State; in 1888 they owned only 24 per cent; yet during that time the population increased 60 per cent. In a recent address made by Hon. L. F. Livingston, of that State, he said that during the past ten years the property in the towns and cities of that State had increased in value \$60,000,000, while in the agricultural districts it had decreased \$50,000,000.

From this State, great in resources and enterprise, let us turn to its peer in the Northwest:

IN ILLINOIS.

All mortgages and totals of indebtedness, principal and interest.		
1880—Lands	\$112,367,054	
Lots	79,346,851	
Chattels	12,747,429	
Total	<u>\$204,461,334</u>	
1887—Lands	\$147,320,054	
Lots	246,704,827	
Chattels	22,354,187	
Total	<u>\$416,379,068</u>	

An increase of this class of indebtedness in seven years of \$211,917,734, or 103 per cent.

On land alone the increase of indebtedness in seven years was \$44,953,000, or 40 per cent.

According to the report of Hon. J. R. Dodge, the surplus of the corn and wheat crops over home consumption for the last year was—

Bushels.	Value.
Corn	64,781,250
Wheat	20,907,700

Total value of surplus corn and wheat... \$29,535,077

If every bushel of surplus corn and wheat of last year's crop were applied to the mortgage indebtedness in 1887, on the farm lands of the State, there would still remain \$111,784,977 to be paid out of other crops or earnings. Or, after applying every bushel of the surplus to the mortgage indebtedness of 1887 on lands, lots, and chattels, there would still remain \$386,843,991 unpaid. Or, applying every bushel of the surplus wheat and corn to the interest for one year, at 8 per cent, on the mortgage indebtedness, there would still remain unpaid of interest \$3,875,250. Of this mortgage indebtedness, non-residents and building and loan associations hold claims to the amount of \$69,355,639, or over double the amount of the surplus corn and wheat.

The increase in mortgage indebtedness on lands for loans from 1870 to 1880 was 21 per cent, and from 1880 to 1887 it was 23 per cent.

The great State of Pennsylvania is not exempt from the general depression which has been indicated by the cases before cited. In Lancaster county, the largest in agricultural products of any county in the United States, the farmers are feeling most keenly the pressure. From one of the leading attorneys of Lancaster I obtain the following statement: "The assessed valuation of all the real estate of Lancaster county, including city, town, and farm property, is about \$82,000,000. The amount of indebtedness on this property is about \$25,000,000. The depreciation in farm values in the past ten years in Lancaster county is fully forty per cent, and still decreasing."

Recently one of the assessors for the State of New York reported to the New York Tribune that he had

visited fourteen counties in one of its finest agricultural districts, and that while city property is advancing, farm property is growing less and less valuable.

Why multiply proofs? The depression is widespread and universal.

In a somewhat elaborate presentation of "agricultural depression and its causes" in his March report, Hon. J. R. Dodge, agricultural statistician, says: "Diversification is essential to agricultural salvation." That is, to secure reasonable reward for labor and investment, the farmers should cultivate a greater variety of crops. To arrest the downward tendency in the market values of crops and to restore the values of lands, a greater effort should be made to meet all the demands for all kinds of food products. Has this system been tried, and has it failed? Let us see. Take the energetic and enterprising State of Michigan, than which no State in the Union, perhaps, has a broader system of diversified farming. Its whole surface is dotted with thriving villages, towns, and cities, and the farmers have easy access to large outside markets. The State Labor Bureau of Statistics reports that the farms of that State are mortgaged to the amount of \$130,000,000, or 47 per cent of them, and at an average interest of 7 per cent. The wheat crop of that State for 1889 was 23,709,000 bushels, required for home consumption, 9,246,510 bushels; leaving net amount for sale, 14,462,490 bushels. To pay the interest on farm mortgages for one year at 7 per cent would require 455,544 bushels more than the entire net crop.

The Commissioner says in his report: "The indications are that mortgage indebtedness is rapidly increasing and that farmers are not getting out of debt." From his investigations he deduces the following facts:

"1. That one-half of the farms of Michigan are mortgaged and are paying a double tax.

"2. That by reason of this mortgage indebtedness and double taxation business of all kinds is seriously affected.

"3. That men who loan money do not bear their just proportion of public expenses in return for the protection given them, while the majority escape taxation."

In the year 1887, there were 1,667 mortgages foreclosed, and of that number only 131 were redeemed. In one of the leading agricultural counties of the State (St. Joseph), I am reliably informed there were in the year 1888 366 foreclosures of farm mortgages, one for each day in the year. Less than four weeks ago, according to a Michigan paper, one of the finest properties in South Michigan, located in the town of Three Rivers, thirty-four acres of land and buildings that cost \$56,000 cash was sold for only about \$8,000. This, briefly stated, is the condition of a people who possess peculiarly favorable facilities for the prosecution of diversified farming. But it may be said that it is a Western State, one of the younger in the great family of States, and is, therefore, not a criterion. We might grant the exception, but it applies as well to the great States of Kansas and Nebraska. I quote from the Alliance Motor, published at Broken Bow, Nebraska, and dated April 17, 1890:

The denial that the State is not heavily covered with mortgages, is met with the following table, compiled from the official record of Saline County, one of the wealthiest counties in the State.

Real estate mortgages unsatisfied on record.

Lands	\$1,816,388	23
Town lots	370,963	23

Total amount real estate mortgages.....	\$2,187,351	46
Bonded debt, cities and schools.....	97,739	15
Bank loans and discounts.....	1,418,954	41
Chattle mortgages held by private parties (banks not included) unreleased, filed since January 1, 1889.....	332,584	44

Total.....	\$4,036,646	96
------------	-------------	----

The assessors value of property against this indebtedness is, viz:

Lands.....	\$1,234,958	00
Lots.....	425,773	00
Personalty.....	808,266	00

Total.....	\$2,458,997	00
------------	-------------	----

So that in this single county the assessed value of the property is \$1,567,649.96 less than the recorded indebtedness of that county.

Let us come then to a State possessing pre-eminently advantages superior to any State in the Union for the successful and profitable prosecution of that "diversification" which is "essential to our agricultural salvation." I refer to that beautiful garden spot in the broad field of American agriculture, the State of New Jersey. Diversified farming, I presume, no one will deny should be most profitable where it has easy access to ready markets or to great centers of population. Not only have the farmers of New Jersey advanced to the front rank in all the appliances and most improved systems of agriculture, but the whole State is, or should be, the kitchen garden of a population in towns and cities within and immediately on its borders, of not less than four and three-quarter millions of people. The County of Salem has splendid facilities for reaching markets. It is adapted to truck growing. The board of agriculture of that county made an official report to the Governor of the State only a few weeks since, in response to inquiries propounded by him to the various boards, in which it was stated that the lands of that county had decreased in value 40 per cent.

I quote from Mr. T. E. Willson, an able statistician and editor of the Weekly World. He says: "The wealth of the State of New Jersey more than doubled in ten years. The individual wealth very nearly doubled. Between 1850 and 1860 the total value of the farms increased \$60,012,827, or 50 per cent. The individual value of each farm increased \$1,420, or 28 per cent. Over 35 per cent of the increase in wealth was divided among the farmers and went into their pockets for the increase value of the land alone. Between 1860 and 1880 the total increase in the value of the farms was only \$10,645,495, or 5 per cent each, or one-quarter of 1 per cent yearly, which is not the natural rate of 'unearned increment.' The value of each farm declined during these years from \$6,519 to \$5,561. Only 3 per cent of the increase in wealth went into the pockets of the farmers."

From a reliable business man in the town of Flemington, the county seat of Hunterdon, I have obtained some significant statements. Be it remembered that Hunterdon is the best agricultural county in the State, and is within a two hours' ride of either of the cities of Jersey, New York, Brooklyn, or Philadelphia, and is traversed in all directions by important lines of railway. I quote from his statement of

the sale of six farms, all of which, except one, are located within five miles of the town of Flemington, and all sold at public sale:

1. A farm of 120 acres sold in 1876 for	\$10,800
The same farm sold in 1889 for	5,280
2. Twenty-five acres sold in 1870 for	5,000
The same sold in 1886 for	3,600
3. Two hundred and eighteen acres sold in 1880 for	2,600
The same sold in 1890 for	17,876
4. One hundred and ten acres sold in 1881 for	8,000
The same sold in 1888 for	4,510
5. Two hundred acres sold in 1872 for	21,000
The same sold in 1881 for	16,400
6. Ninety-eight acres sold in 1877 for	8,882
The same sold in 1890 for	4,132

He says these are all strictly good farms, and are kept in good condition, and adds, "the above is about a fair average of depreciation in farm lands throughout the county."

Go to the States of Vermont and New Hampshire, whose every farm almost is within the sound of the bells or whistles of villages, towns, cities, workshops, mills, or factories—the land where the farmer is peculiarly blessed with what is popularly known as "home markets." Where is the picturesque beauty and charming loveliness that once crowned those hills in the glories of "diversified farming?" The doleful answer comes back from fields abandoned to briar and brush, and from thousands of once happy homes, now given over to the spider and the bat. I hold in my hand a pamphlet of 104 pages, descriptive of some of these abandoned farms in New Hampshire, and issued by the commissioner of agriculture and immigration for that State. On page 9 he tells us: "There have been reported to us by the selectmen of the various towns (townships) 1,442 vacant farms, with tenantable buildings." The reasons given for the abandonment of these farms, whose "large and comfortable buildings, substantial fences, and permanent improvements make them in every way desirable," is, in some instances, by death of former occupant, but chiefly the occupants have gone into other business. He distinctly states that it is for "reasons traceable to other sources than inferiority of soil." I open this pamphlet at random and read:

* * * * *

I hold in my hand a circular from the "commissioner of the agricultural and manufacturing interests" of the State of Vermont, "prepared," as he says, "in answer to the many letters of inquiry relative to the unoccupied lands of Vermont," and it is but a repetition of the same sad, sad story.

The same appalling story may be told of the farms tributary to the Baltimore market.

The Philadelphia Times of last week asserted that the farm lands in the vicinity of that city had depreciated in value 33 to 50 per cent within the past decade.

Within the sweep of vision from the dome of this Capitol, with its 300,000 mouths in this city to feed, hundreds and thousands of acres of as fine farm land as may be found on the Atlantic slope, have depreciated in value from 33 to 50 per cent. What do these startling facts and figures demonstrate? They do not disprove that under ordinarily favorable conditions, a judicious diversification in farm husbandry is most conducive to comfort, prosperity, and success, but they do conclusively demonstrate that with our

present environments and surroundings to adopt it as a factor "essential to our agricultural salvation" would be to follow a fatal delusion.

But, Mr. Chairman, there are other and still more serious and important phases of this subject to be considered.

From 1870 to 1880 the number of farms in the United States under three acres decreased 38 per cent, while those of one hundred to five hundred acres increased 300 per cent. The number of farms of three to ten acres decreased 21 per cent, while those from five hundred to one thousand acres increased 478 per cent.

The number of 10 to 20 acres decreased 13 per cent, while those of 1,000 or more acres increased 770 per cent. In 1880 we had 145,553 less farms under 50 acres than we had in 1870, and yet our agricultural population had increased during that decade 29 per cent.

To my mind no more serious aspect of the situation or of the downward tendency of the times can be found than is presented in these figures. They stand as a strong witness to the fearful and deplorable truth that through the rapid congestion of wealth, enriching the few at the expense of the many, our population is being rapidly resolved into two classes—the extremely rich and the extremely poor—classes which in all ages have proven themselves to be the weakest defenders of civil liberty. To the student of history and to those who have given thought to the theory of our Government and the genius of our free institutions, this rapid absorption of the small farms and this rapid expansion of large landed estates portends the sure approach of the crucial era of our republican form of Government. And when that day shall come, upon whom will devolve the responsibility and task of preserving and perpetuating the blessings of free government and of civil liberty, but the great conservative, patriotic middle class of our population? Will that people be prepared to meet it? In seeking a true answer we cannot turn a deaf ear to the ominous declaration proclaimed in the following figures, which point unerringly the road which is strewn with the ruins of wrecked republics:

WEALTH OF THE UNITED STATES.

1850.

Total value of taxed and untaxed property...	\$13,500,000,000
Assessed value of property.....	5,275,000,000
Of which the farmers were assessed.....	4,500,000,000

1860.

Total value of taxed and untaxed property...	\$31,000,000,000
Assessed value of property.....	12,000,000,000
Of which the farmers were assessed.....	10,500,000,000

1870.

Total value of taxed and untaxed property...	\$30,000,000,000
Assessed value of property.....	15,350,000,000
Of which the farmers were assessed.....	12,500,000,000

1880.

Total value of taxed and untaxed property...	\$43,500,000,000
Assessed value of property.....	17,000,000,000
Of which the farmers were assessed.....	14,000,000,000

In 1850 the farmers of the United States owned 70 per cent of the total wealth of the country and paid 85 per cent of its taxes. In 1860 they owned half the wealth of the country and they paid 87 per cent of its taxes. In 1880 they owned only one-fourth of the wealth of the country. The increase in their farm

values during the 20 years, from 1860 to 1880, had dropped from 101 per cent to only 9 per cent, and yet in this desperately reduced and weakened condition they paid 80 per cent of the taxes of the country.

Mr. Chairman, is the agricultural interest of the country depressed? And is it due to a want of energy, of industry and of economy on the part of the farmers? All over the country he has been told for years by a certain school of political economists that indolence, inattention to business and extravagance were the prime causes of his increasing poverty. But when he comes to the capitol of the nation venerable Senators and prominent Government officials inform him that his financial ruin has been wrought through his industry and the merciful Providence of nature's God; that he is absolutely bowed to the earth under a crushing load of overproduction. Are either of his advisers correct? In answer to the first, I assert without hesitation, that no class of citizens in our country work so hard, live so hard and receive so little reward for his labor as the average American farmer. In answer to the second I ask, overproduction in what? Is it in breadstuffs? We produced 9½ bushels of wheat per capita in 1888, which was worth \$1.15 cents per bushel. We produced in 1889 only 7½ bushels per capita, and it was worth only 79 cents per bushel. Our exports of food products, under proper and just conditions, should be the true measure of our production. But is it so? The normal ration of flour, as established by our Government and which has been kindly furnished me by the Secretary of War, is 1⅛ pounds per day, or 410 pounds per year. Assuming that our population numbers 65,000,000, to give each one a normal ration would require 26,650,000,000 pounds, whereas we produced last year (deducting 56,000,000 bushels for seed) only 17,282,400,000 pounds, a deficit of 7,267,600,000 pounds. But if our population had consumed 2½ ounces per day per capita more than they did consume, nothing would have remained for export. Will any sane man doubt, with our millions of people in our crowded cities, in our towns, in our mines, and all over the land, in their hovels of poverty, who are existing in a state of semi-starvation, that we could have consumed this additional pittance? And if the ruinous decline in prices be due to overproduction, why should it not be confined to those commodities for which a surplus is claimed? Why should all departments of labor share this universal depression in prices? No, Mr. Chairman, it is not overproduction, but under-consumption. There can be no overproduction in a land where the cry for bread is heard.

But we are told that we should be content and happy that "a dollar will buy more to day than ever before." Mr. Chairman, the American farmer stands a faithful and sorrowing witness of the truth of that declaration. No man living knows better than he the purchasing power of the dollar. He knows that its power has been so augmented that it now demands double the amount of his labor and the surrender of his profits to meet its unjust and cruel exactions. Indeed, so arbitrary and domineering has its power become, that it has forced upon the public mind the grave question, whether the citizen or the dollar is to be the sovereign in this country. But with all its power will it pay for the farmer more interest? Will it pay more on his mortgage? Will it pay more debt?

Will it pay more taxes? Will it pay more physicians' and lawyers' fees? From all sections of this magnificent country comes the universal wail of hard times and distress. The farmer sows in faith, he toils in hope, but reaps in disappointment and despair. He sees a 4 per cent U. S. bond due in 1907, selling at a premium of 28 per cent, a bond that would be valueless, but for the sturdy blows of his strong arm, and yet he knows that there are few farms in all this country that could be mortgaged for one-third their value at 7 per cent for the same length of time, which mortgage would sell for its face value. He sees centralized capital allied to irresponsible corporate power, overriding individual rights, controlling conventions, corrupting the ballot-box, subsidizing the press, invading our temples of justice, intimidating official authority, fostering official corruption, robbing the many to enrich the few, destroying legitimate competition, dictating legislation, defying the Constitution and annulling the law of supply and demand. In vain do the people plead for relief. In vain have they suffered and endured—patiently, submissively, uncomplainingly. Over one thousand years ago the old Sheik Ilderim of Medina said to certain Romans: "Do you dream that because the prophet of Allah dwells now beyond the bridge of Al Sirat, that, therefore, he is deaf and dumb and blind? I tell you, by the splendor of God, that a tempest is brooding on his brow; there is lightning gathering in his soul for you."

Do men dream that because the sovereign, oppressed people have thus suffered, thus endured, that, therefore, they have become deaf and dumb and blind? But we are told that these forms of oppression are not prohibited by law. There are no people on earth who have greater reverence for law than the farmers of these United States, but they know that no tyranny is so degrading as legalized tyranny; that no injustice is so oppressive as that which stands entrenched behind the forms of law, and worthy descendants as they are of a grand old revolutionary ancestry, they may not forget that the tyrannical mandates of George the Third were accompanied by the boastful declaration that he too was the rightful occupant of the British throne under the forms of law.

Mr. Chairman, retrogression in American agriculture means national decline, national decay, and ultimate and inevitable ruin. The glory of our civilization cannot survive the neglect of our agriculture; the power and grandeur of this great country cannot survive the degradation of the American farmer.

Struggle, toil and suffer as he may, each recurring year has brought to him smaller reward for his labor, until to-day, surrounded by the most wonderful progress and development the world has ever witnessed, he is confronted and appalled with impending bankruptcy and ruin. Crops may fail, disaster may come and sweep away his earnings as by a breath, prices may go below the cost of production, but the inevitable tax-collector never fails to call upon him with increased demands. Is it any wonder that these struggling and oppressed millions are organizing for relief and protection?

THE CAUSES.

We protest, and with all reverence, that it is not God's fault. We protest that it is not the farmers'

fault. We believe and so charge, solemnly and deliberately, that it is the fault of the financial system of the Government—a system that has placed on agriculture an undue, unjust, and intolerable proportion of the burthens of taxation, while it makes that great interest the helpless victim of the rapacious greed and tyrannical power of gold. A system through which despite the admonitions of history and the experience of all countries in all ages; despite the teachings and warnings of the ablest men in the science of political economy in this and in all countries, our currency has been contracted to a volume totally inadequate to the necessities of the people and the demands of trade, and with the natural and inevitable result—high-priced money and low-priced products.

THE REMEDY.

1. Restore to silver its dignity and place as a money metal, with all the rights of coinage and all the qualities of legal tender which gold possesses.

2. Issue sufficient amounts of currency direct to the people, at a low rate of interest, to meet the legitimate demands of the business of the country, and which shall be legal tender for all debts, public and private.

3. Secure to such issue equal dignity with the money metals by basing it on real, tangible, substantial values.

These were the central ideas which prompted the action of the St. Louis convention when that body asked for the free and unrestricted coinage of silver, and for an increased volume of currency to meet the increasing demands of the country, and presented, through Senator Vance, to the Senate the bill now under consideration.

As I am to be followed by Dr. C. W. Macune, chairman of our National committee on legislation, who will address himself more particularly to the merits and details of the system as outlined in the bill, I will beg the kind indulgence of the committee for a remark as to only two points:

It is charged that to adopt this bill, which provides for the issuing of money by the Government to the farmers at 1 percent on the security therein provided for, would be to establish paternalism in our Government.

Mr. Chairman, retrogression in American agriculture means national decline, national decay, and ultimate and inevitable ruin. The glory of our civilization cannot survive the neglect of our agriculture; the power and grandeur of this great country cannot survive the degradation of the American farmer.

Is it paternalism for the Government to issue to the farmers of the country money on short time at 1 percent on evidences of wealth, when for a quarter of a century it has been issuing money to the banks at 1 per cent on evidences of indebtedness? Is it paternalism to issue money to the farmers on those products which the world needs and must have, and which are stored in warehouses, when the Government has for these long years been storing whisky in warehouses, and whose certificates of deposit on the same are negotiable in all the banks of the land? Is it paternalism or criminal for the Government to accept the voluntary tender of a valid and substantial security in the property of the citizen for an issue of money, when that Government, for all time, has based its faith and credit for the issue of money on its power to tax that same property?

It is urged that the products which we offer as security are perishable. True, but are they more perishable in carefully constructed warehouses, after having been carefully inspected and classified, than they are when stored in the barns of the farmer? What proportion of that class of the proposed crops,

which only would be admitted to the warehouse under an efficient system of inspection, is lost to the farmers annually, even under the rude and careless system in which they are now largely stored? The world buys these products from the barns and uses them. Would it not do so as well from the Government warehouses? The demands for annual consumption would preclude the possibility of an accumulation or retention of these products beyond their natural period of self-preserving power. Indeed, this system of warehouse storage, with certificates of deposit freely negotiable on the values stored, has been in successful practical operation in this country for several years, and is constantly enlarging. Its convenience, its utility, and its safety commends it to the trust companies and bankers as among the very best forms of security for large advances, and they are eagerly sought. I refer particularly to the system of cold storage warehouses now operated in the city of New York and established several years ago. Goods to the amount of thousands and millions, especially of high class imported goods, are stored for their better preservation, and advances are freely made to the extent of 80 to 90 per cent of their value at 6 per cent, unless arrangement is made for lower interest. There has never been a case of loss in the business, and there is great competition among the banks and trust companies to make these advances. If this class of goods, whose extremely delicate texture and finish render them highly susceptible to damage, stored in warehouses which are not claimed to be fire-proof, is regarded and sought by the capitalists and banks as safe and desirable security for liberal loans, why could not cotton, wheat, corn, and oats be rendered equally safe and desirable as security, especially as from the very nature of things no considerable amount of these crops would remain in storage for a longer time, most probably, than six months?

Again, the wheat farmers of California have built their own warehouses for the storage of their wheat, which are in charge of agents of their own choosing. These agents grade or classify the grain and issue to the farmers certificates of deposit. The Grangers' Bank of San Francisco, which was incorporated April, 1874, with an authorized capital of \$1,000,000, which has a paid up capital and reserve fund of \$800,000, which has paid dividends to stockholders of \$627,500, freely makes advances on these certificates of deposit held by the farmers. I am reliably informed that it loaned to the wheat farmers of that State \$3,000,000 during the year 1889, on these certificates.

But if it be true, as has been asserted by the best authority on the subject, that the world is only eighteen months in advance of starvation, does not the preservation of food products become a question of incalculable and universal importance to humanity? At a time when universal famine threatened the nations, the genius of Joseph gave to the world a system of storage from which it was fed for seven years. It was successfully practiced by the ancient Egyptians and Romans, and in the explorations of science the grain then stored—thousands of years ago—is found to possess its powers of germination as perfectly and as vigorously as though it were harvested one year ago. The most thorough scientific investigation has established beyond question that the whole process, which has long been the wonder of

mankind, consisted only and simply in excluding the air from the storage vaults. The construction of these vaults, with their facilities and rude appliances, it is true, were of immense cost, but the great end was accomplished. And the secret which has been buried in these dark storage rooms for centuries has been brought to light by the hand of science, and the world was as much amazed at its simplicity as it had been confounded by its hidden mystery. And the inventive genius and acute perception of the enterprising, aggressive American, has discovered opportunity and methods for utilizing this knowledge at infinitely superior advantage to that of the ancients. It is found that homogeneous steel is impervious to air. Upon estimates made by leading civil engineers—men of world-wide reputation—receptacles of varying capacity for the storage of grain and other products, may be constructed of this material at a less cost than it is possible to construct them of stone or brick or wood. This steel may be had in unlimited quantities and at a cost not to exceed two cents per pound, and it is claimed and asserted that these steel storage rooms may be built at a cost not to exceed four cents per bushel. Steel storage warerooms for cotton can be constructed, fire-proof, water-proof, and weather-proof, of a capacity of one thousand bales and upward, at a cost not to exceed one dollar and thirty cents per bale.

If upon investigation it be demonstrated that such are the facts, it solves a problem of transcendent importance to the whole world. It removes all objections as to the cost of storage room for products proposed in this bill. It would silence all objection as to the perishable character of the security we offer. It would give us a storage absolutely fire-proof, water-proof, and weather-proof, and thus enable us to place with the Government the safest, most reliable, and most desirable security the world could afford. The savings in insurance alone, it is claimed, would cancel the cost of construction in the short period of five years. Fraught with possibilities for good to mankind almost inconceivable, and supplying as it would to our Government a basis of values superior to even silver and gold for its currency, I beg, respectfully, to submit the suggestion that it is at least worthy the attention and investigation of the leading representative body of the most progressive people of the world.

We submit this bill, Mr. Chairman, with due deference to the intelligence, judgment, and wisdom of your body. We do not claim that it is the best, or the only measure through which relief may be brought to our oppressed, suffering and distressed people, but we submit it as the best we have been able to devise. We would be only too happy to receive at your hands a wiser and a better measure. But, Mr. Chairman, these suffering millions must have relief. They ask for bread and will not be content with a stone. They are not asking for charity, but they are demanding justice. They are not asking for special legislation, through which their interest may be promoted at the expense of any other interest of the country, but they demand that the heavy hand of oppressive discrimination be lifted from them and that they be allowed an open field and an equal chance with the other great industries of the country.

The People's Signal (Marlin, Texas) says:
The leaders of both the old parties are at a loss just now for something to "fool the people" with:

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 8.

THE NATIONAL ECONOMIST

SATURDAY, MAY 10, 1890.

TABLE OF CONTENTS.

	Page.
SEVEN STAGES OF CONFLICT	113
RAILWAYS, THEIR USES AND ABUSES (No. 53)	By James F. Hudson 121
APPLIED SCIENCE	By Dr. M. G. Elzey 124
LETTER TO MAJOR MCKINLEY	By Ralph Beaumont 117
THOSE FUNNY MEN	By Harry Hinton 118
A FINANCIAL HISTORY (No. 13)	By N. A. Dunning 126
LET THE FIGURES BE GIVEN	114
SENATE COMMITTEE ON AGRICULTURE	114
OBJECTIONS AND OBJECTORS	115
EFFECT OF SUB-TREASURY LAW ON CONSUMERS	116
THE ALLIANCE AND THE IMPLEMENT MANUFACTURER	By J. B. Gay 115
THE OVERPRODUCTION THEORY A FRAUD	By Ernest Hollenbeck 119
THE SILVER QUESTION	124
A FORTY MILLION GOBBLE	120
QUIET WORK BY CORRECT METHODS	120
REASONS, NOT ASSERTIONS, WANTED	116
THE REFORM PRESS	127
IN PENNSYLVANIA	128

WASHINGTON, D. C.

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

Harry Tracy in Texas.

Harry Tracy is booked for the following places and dates:

Bowie, Saturday, May 10.
Henrietta, Monday, May 12.
Graham, Wednesday, May 14.
Breckenridge, Friday, May 16.
Casco, Saturday, May 17.
Baird, Monday, May 19.
Abilene, Tuesday, May 20.
Ballinger, Thursday, May 22.
Coleman, Friday, May 23.
Brownwood, Saturday, May 24.
Goldthwaite, Monday, May 26.
Hamilton, Wednesday, May 28.
Lampasas, Friday, May 30.
Temple, Saturday, May 31.

Lecturer Ben Terrell's Appointments.

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

Illinois, May 5th to May 21st.
Dakota, May 23d to June 10th.
Wisconsin, June 12th to June 23d.
Missouri, June 26th to July 10th.
Kansas, July 12th to July 19th.
Indian Territory, July 22d to July 30th.

ILLINOIS.

Monday, May 12, at Clinton.
Wednesday, May 14, at Pontiac.
Friday, May 16, at Genesee.
Saturday, May 17, at Morrison.
Monday, May 19, at Mt. Carroll.
Wednesday, May 21, at Harrover.

SOUTH DAKOTA.

Friday, May 23, Milbank, 1 p. m.
Saturday, May 24, Aberdeen, 1 p. m.
Monday, May 26, Britton, 1 p. m.
Wednesday, May 28, Webster, 1 p. m.
Thursday, May 29, Redfield, 1 p. m.
Friday, May 30, Clark, 11 a. m.
Saturday, May 31, Huron, 1 p. m.
Monday, June 2, Miller, 1 p. m.
Tuesday, June 3, Lake Preston, 7 p. m.
Wednesday, June 4, Madison, 2:30 p. m.
Thursday, June 5, Sioux Falls, 2 p. m.
Friday, June 6, Canton, 1 p. m.
Saturday, June 7, Parker, 1 p. m.
Monday, June 9, Mitchell, 11 a. m.
Tuesday, June 10, Yankton, 1 p. m.

INDIAN TERRITORY.

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

RUSSELL & CO.'S YEARBOOK

NOW READY. Describes their latest improved Threshers, Threshing Engines, Saw Mills and Saw Mill Engines. Horse Powers, Stationary Engines, Plain or Automatic, and BOILERS. Address RUSSELL & CO., MASSILLON, OHIO.

CHICAGO SCALE CO.

151 South Jefferson Street, Chicago, Ill.
2-Ton Wagon Scale, \$40; 4-Ton \$60.
"Little Detective," \$1. Said for Price Paid.

"THE BEST IS THE CHEAPEST."

THRESHERS

ENGINES

SAW MILLS

For Pamphlets
write to

THE AULMAN &

TAYLOR COMPANY,

(Say where you saw this.)

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.

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

President-Polk, Secretary Turner and Chairman Macune are located at Washington, D. C., the domicil of the order.

ALABAMA.

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

ARKANSAS.

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

COLORADO.

President—J. H. Brammer.
Secretary—W. S. Starr, Hoelme.

SOUTH DAKOTA.

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

FLORIDA.

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

GEORGIA.

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

KANSAS.

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

LOUISIANA.

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

MISSOURI.

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

MARYLAND.

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

MISSISSIPPI.

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

NORTH CAROLINA.

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

SOUTH CAROLINA.

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

TENNESSEE.

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

TEXAS.

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

VIRGINIA.

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

NEW MEXICO.

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

At a meeting of the Charles County Farmers Alliance, held in Port Tobacco, on the 12th instant, the following preamble and resolutions were unanimously adopted:

Whereas it has pleased the All Wise to take from us our worthy brother and from the community an estimable citizen, in the person of the late John G. Chapman: Therefore, be it

Resolved, That by his death we have not only sustained the loss of one of the most honored and respected citizens of the county, but our organization feels that the departure from us of one of the most earnest of our members has created a void not easily filled.

Resolved, That we sympathize with the members of his family in their deep affliction, and only console ourselves in the hope and belief that Heaven has demanded its greater claim.

Resolved, That these resolutions be entered upon the minutes of this meeting, and that they be published in THE NATIONAL ECONOMIST, a copy of which be sent to the family of the deceased.

Port Tobacco, April 12, 1890.

In the death of John G. Chapman, the Farmers Alliance shares with this county and State a great loss. He was a man that performed to the best of his ability, which was of no mean order, his duty to his God, his family, his country. When this is said earnestly, conscientiously, and with appreciation of its full meaning, need more be said?

Holton Stock Farm.

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

IMPORTED SHETLAND PONIES.

REGISTERED BERKSHIRE PIGS.

REGISTERED JERSEY CATTLE
Of best Butter Families.

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

Address

ROBERT E. PARK,
MACON, GA.

Mention ECONOMIST.

PROGRESS MFG. CO. MERIDIAN, MISS.
"IDEAL" STEEL LINED CONTINUOUS HAY PRESS

\$150 AND \$185 PAID FOR WHEN FOUND SATISFACTORY

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

WE ALLOW FREIGHT ON ALL ORDERS

ALL manufac'trs of "Self-Trampling" Cotton Press, which saves all Trampling in of Cotton.

culated to reach all, and try to work up a disaffected minority, and no means will be too criminal or foul for them to adopt if it promise to stir up strife and division in the order.

6. The intelligence of the order having been great enough to prevail over these methods, the smoke may clear away and the sky look bright, but the danger will be increased because the foe is getting desperate. He now comes with the false smile of flattery and the treacherous downcast eye of humility and proposes a compromise. This is an extremely dangerous period for the farmer. Enemies clothe their language with praises for the wisdom displayed in the sub-treasury law, and seek to improve on its workings by a few mutual concessions as to detail. Their cunning is great, but their wisdom not sufficient to deceive.

7. They have now grown desperate. They realize that it is a life and death struggle. They marshal their Wall street forces and make an effort to capture the President, his Cabinet, and the United States Senate to secure complications with some foreign power and declare war. Then the press of the country is worked to show the people that the great insult to American independence and liberty must be resented; that if they possess half the patriotism their forefathers displayed at Bunker Hill they would take arms against the enemies of American liberty; all this, and more too, for the sole purpose of detracting attention from the sub-treasury bill. Go to war, ruin the country, send millions of people to hell, rear youth amid vice and carnage (thereby ruining the moral standard of several generations to come), let the offspring of the poor be reared in ignorance and become slaves; all this, and ten times more if necessary, to perpetuate the power of money to oppress, so that the select few may roll in riches and gratify their sensuality.

Is this too dark a picture? It is the only one that a knowledge of the ways of the world will acknowledge to be correct. There are politicians who act as if they believed the people should never be allowed to discuss and express an opinion upon the deep and vital principles of the government; but, like giving a child a basket of apples, the people should be given glittering and well-worded questions of mere policy that would be as well decided one way as the other. These men may as well now wake up to the fact that the people have outgrown that stage, and can not now be sidetracked by any of the seven stages of conflict, or anything else, but are determined on this and will prevail. The time has now come when members of the order should be "wise as serpents," and carefully examine and prove before accepting any statement, either of fact or sentiment, that emanates from the partisan or subsidized press of the country.

LET THE FIGURES BE GIVEN.

After the Secretary had given his views upon the bill and the basis for them, a discussion rather desultory in its nature took place upon the subject of the sufficiency of the circulation. Secretary Windom had stated to the committee that the total circulation was \$1,426,000,000—an average of \$21.70 per capita on a basis of 65,000,000 population. Actually, however, this sum was subject to diminution by the several amounts that are tied up in various ways, reserves, held for redemption of notes, etc., so that the per capita amount of circulation was considerably less than \$21.70. The Secretary agreed with the Senators as he had with Representatives that addition to the circulation was necessary, but in the conference to-day no definite sum was named by any one.

The above is taken from a newspaper report of Secretary Windom's remarks before the Senate Finance Committee a few days since. Both Mr. Windom and President Harrison declared last December to Congress that there was \$1,426,000,000 of currency in circulation among the people. Did they not know then as well as now that such a statement was untrue? Did they not know then as well as now that large sums were being kept from circulation, and in consequence the amount given by them as being in circulation was a misrepresentation of the facts? Why at this late day own up to a portion of the fact? Why not state squarely and fairly that less than one-half of that amount is now in use among the people?

SENATE COMMITTEE ON AGRICULTURE.

The president of the National Farmers Alliance and Industrial Union and the chairman of the committee on legislation of said order have each delivered an address before the Senate Committee on Agriculture. The committee received these officers courteously, and gave them all the time they wanted. Both addresses were published in the last issue of the "ECONOMIST," and need no comment here; but it is simple justice to the committee to say that they evinced a deep interest in both addresses, and asked many questions upon the great principles involved, and that the questions were of a character which showed a desire to master the subject. Verily, they will reap their reward. There are millions of farmers in this country who appreciate, and are now taking enough interest to note every indication of a willingness to acknowledge their just demands. They do not insist upon any demand that can be shown to be unjust. They will always abide by the constitution, and oppose class legislation. This Senate committee met the representatives of the farmers as men should be met who represent the great conservative element of the country, and they evidently intend to give the subject a full consideration. There are a million of farmers in this country who will pray that God will bless them with wisdom in every honest effort they make to remedy existing ills.

Labor Journal (San Antonio, Texas). Correct:

Those who control the money of a country, and through the control of the money control the price of the products of labor, soon become the masters of the people by subjecting them to capitalistic slavery.

OBJECTIONS AND OBJECTORS.

Every bill presented to Congress, especially one representing advanced ideas upon economic subjects, is compelled to pass through a regular grade of criticisms. When first introduced they are classed as meddlesome trash, foolish notions or cranky absurdities. After being taken up in committee or discussed by the press, a regular line of objections is made as to certain features. It is too complicated in its application, or too much of an innovation, or would disturb present conditions that are now running along so smoothly, and it is always best to let well enough alone. It soon follows that these objections are trifling, and really do not touch the question involved. At this point the legislative reserve force is brought out, those who have all this time been looking wise and saying nothing. Usually such men have never read any more than the title of the bill, and are lacking in perceptive abilities sufficient to discuss the measure on its merits, but in the most solemn manner will declare it unconstitutional. The less such persons know about the powers and limitations of the constitution, the wiser and more profound they appear. The sub-treasury bill has reached this stage, and is just now undergoing such an ordeal. A few Senators and Representatives are resorting to this ancient method of moulding public opinion. A glance at the past discloses the fact that when the idea of issuing greenbacks was first advanced it was declared to be unconstitutional. When the present national banking system was introduced it was also pronounced contrary to law. When gold and silver certificates were talked of this same class of legislators opposed it for similar reasons. Yet the courts have decided all these measures as strictly within the provision of the law. To discuss the constitutionality of a bill outside of a court is generally like holding a debate with a windmill or fog-horn. A little common sense added to plain precedents, however, goes a long way toward forming correct conclusions. The sub-treasury bill can be considered under such conditions with much profit.

For example, Mr. A, who owns \$100,000 in United States bonds, can, under certain regulations, deposit them with the Secretary of the Treasury and receive 90 per cent., or \$90,000, upon which he pays an interest or tax of one-half of 1 per cent semi-annually, drawing interest on the bonds so deposited in the meantime. Again, Mr. B, who has \$100,000 in silver bullion, can take it to the same place, have it cared for, and receive \$100,000 in silver certificates, the use of which he has without cost. These two transactions are pronounced beneficial, legitimate, and constitutional. Mr. C has \$100,000 worth of wheat and cotton, all in good order, a product of labor, and a part of the wealth of the country. He goes to the Secretary of the Treasury and asks that suitable buildings be erected that he, too, may store his cotton and wheat and receive in money 80 per cent of their value, upon which he is willing to pay 1 per cent interest annually, and also allow a fair price for storing and insurance. Immediately a murmur of disapproval is heard, and the hands of these same legislators are held up in holy horror, and the old worn-out objection, "unconstitutional," is heard.

Now the question is, where does the constitutionality of the first two propositions end, and the unconstitutionality of the last one begin? Only one answer at a time.

The Alliance and the Implement Manufacturer.

BY J. B. GAY.

What is the matter with the business world that they do not see their own interest in universal justice? Are they the cut-off-your-nose-to-spite-your-face class? Do not their leaders know the value of principled strokes of diplomacy? I asked my splendid neighbor the other day why it was he was using a double shovel instead of a cultivator? He said because I find from the increased yield of my crop from the use of the cultivator that its cost leaves me only the result of my double-shovel work, and I am already in debt, and you know the liabilities of one year in farming, to say nothing of the next year.

I asked a merchant who had a cultivator looking a little rusty, did he sell many of those implements? He smiled and said no, not many. I asked his reason for this, and he said one was that many farmers did not have sense enough to use them, and others said they were too high, as if he (the merchant) could make the manufacturer take less for them. I thought then how easy it would be to sell this implement if the speculator's profit, if half the cost of the above, could be offered to the farmer as an inducement to buy, producer and consumer shaking hands over mutual interest, and the result an increased production with less labor for all three. Where is the business acumen that opposes this point?

But, says the implement man, you farmers have no commercial rating. Strike us out in the figures of the sum total and see how much commercial rating you would have left in other vocations, not forgetting your own. Besides, we know that the speculator does not always pay spot cash for the implement left twelve months standing in front of his place of business.

Now help yourselves by treating the farmers this very way, and you will see how quick those rusty shovels will change their color, and improve their former commercial rating and your own. How can you do this? You are combined and have sense enough to approximate the number of all the implements that will be used "next season." We, the farmers, are combined and have our agents established at the Alliance Exchange in nearly every State in the union. Meet these agents at their National Convention in your combined force; help the Alliance to pay them; they are your agents as well as ours; have a combined talk with them—to a mutual interest. It hurts nobody's business, but benefits all, and you would be surprised the impetus it would give business by sharing your profits from improper channels, thereby blocking trade, and turning it into one of thrift and prosperity.

In your combined force would it not be better to lessen expense, into the hands of one man, than to fifty divided? Would it not be better to let us hire a man together, where there is mutual interest, than for each to hire a man? What inducement would he have to impose on either side? He is under bond now. Increase this with his business. What could impede your progress—your success in this move? What business would it materially injure? What business would it not bless in all reason?

EFFECT OF SUB-TREASURY LAW UPON CONSUMERS' PRICES.

While Chairman Macune was addressing the Senate committee in favor of the sub-treasury bill, he was asked if the power conferred by the bill upon the farmers, enabling them to be independent of the "power of money to oppress," would not give them the power also to raise the prices of these products to the consumer until it would be a hardship upon him. The answer was that it would not. This is true for the following reasons:

The general tendency to an equilibrium of prices, now recognized and admitted by all economists, must continue to prevail. That is to say, no pursuit can be forced into a more remunerative channel than the average of all other pursuits and kept there for any length of time, because when any pursuit or calling pays a larger per cent to the capital invested and a greater return to the labor employed than other pursuits, the tendency is for those engaged in other pursuits to change and employ themselves in the more profitable employment, and this in turn has the double effect of increasing the gross product of the more profitable pursuit and decreasing the gross product of the less profitable pursuit, which by depressing the prices of one and increasing the prices of the others forces relatively equal prices again. Nothing can long resist this tendency to an equilibrium of prices, or, it might more properly be expressed, toward equal remuneration for labor and capital for the same amount of ability, effort, and risk in all branches of productive effort. As the farmer is made prosperous and the volume of money increased general prices will become higher. This will, of course, raise the price of farm products to the consumer, but since it will be accompanied with a corresponding increase in the price of whatever the consumer may have to sell, it will not be equivalent to any change in prices. The first effect of the sub-treasury law will, without question, be to squeeze out the middleman and speculator, because they will no longer possess the power to depress and make the farmer turn over his whole crop to them at one time, and the farmer finding himself in possession of the ability to hold will demand the highest market price. This no one can afford to give but the consumer. The speculator is crowded out, the farmer's price is augmented by what the speculator has been making, and the price remains the same to the consumer. It will be impossible for the speculator to step in and buy up the products and raise the price on the consumers, because he would have to compete with the farmers in selling to the consumer, and could not get rid of the farmer for a competitor by buying all his crop, as he now does, because he could not by means of the inflexible volume of money apply the "power of money to

oppress" by its scarcity, and thereby squeeze the crop out of the farmer's hands. The farmer would be entirely independent of that system, and the only way to get the crop out of the farmer's hands would be to buy it as he chose to sell, and, as is well known, every increased demand that a speculator might start when he commenced buying up certificates of deposit, would be attended with an increase in prices that would tend to thwart his purpose, and would be attended with the hope and expectation of higher prices on the part of the people, which would be an inducement to them to hold what they had.

If, after the speculator has been removed from the expense list between the farmer and the consumer, it be found that the production of these commodities pays the farmer a greater interest on the money invested, and a better return for the labor employed, than other occupations yield, then farming will become such a popular pursuit that it will be overdone until it again reaches the "level" of other pursuits. On the other hand, should it be found, when the farmer gets all that the consumer pays, less the freight and necessary charges, that he is not as well rewarded as other pursuits, farming will be unpopular, and its ranks will gradually be depleted by contributing to the ranks of those engaged in other pursuits until the diminished product will compel a diminished consumption at a higher price. In this way alone can prices be raised to the consumer, but when so raised they will in no way be a hardship, because the operations necessary to produce that raise furnish him with increased ability to meet the augmented prices as a natural result of the farmer being better paid and more prosperous, and consequently a better customer for all kinds of commodities.

REASONS, NOT ASSERTIONS, WANTED.

The legislative branch of the national Government and of the various State governments is now, and has for some years been, largely in the hands of professional lawyers. A quack doctor will denominate all medicine he don't understand as "pisen," and incompetent or designing lawyers have been in the habit of looking wise and denouncing as unconstitutional every demand of the inconvenient multitude that they felt disposed to oppose. The great Farmers Alliance movement has set the farmers thinking systematically, and they are not disposed to accept the dictum of any self-constituted authority; they ask for reasons. This places gentlemen who claim that the sub-treasury bill is unconstitutional in a predicament. They must either give a reason for such statement that will satisfy an intelligent farmer, or stand convicted of having the desire as father of the thought, and having resorted to trickery and bluff to intimidate honest farmers who were too intelligent to be put down by such primitive methods of demagogism.

A Letter to Major McKinley.

WASHINGTON, D. C., April 29, 1890.
Hon. William McKinley, Jr., House of Representatives.

DEAR SIR: You have been accorded, by your party associates of the House of Representatives, the honored position as leader of their side of the House. It is the knowledge of this fact which prompts me to write you this letter.

I have before me while I am writing this letter a copy of House bill No. 9678, which is a bill entitled "A bill directing the purchase of silver bullion and the issuing of Treasury notes thereon, and for other purposes." This bill, if it becomes a law, compels the Secretary of the Treasury to purchase monthly 4,500,000 ounces of silver bullion and deposit the same in the Treasury, and to issue in purchase of the same Treasury notes. Under the provisions of this bill these notes are legal tender for customs, taxes, and all public dues, and for reserves for national banking associations. Now, the question that I desire to ask you is this: On what ground of equity and justice does the caucus of your party decide to confer legal tender powers to these certificates for the purpose for which the national banks desire to use them, and refuse the farmers and business men of the country the same privilege? Or, to be more plain, why does the caucus of your party decide that the bankers may use these notes as money, while by farmers and business men they can only be used as notes in the face of the law?

Again, sir, it is within your memory and mine when we had two silver dollars in this country. One of those contained 412½ grains of silver and the other 420 grains. The one containing 412½ grains was a legal tender, while the larger was not. It is, sir, also a well-known fact, that these same bankers that are so now favored in this act, did discriminate against this 420 grain dollar by putting up in their banks over the desks of their receiving cashiers notices that they would not receive them on deposit unless at a discount of 10 per cent, and business men were compelled to deposit dollars at ninety cents for which they had exchanged goods at the rate of one hundred cents. The reason that they at that time did not use the same discrimination against the 412½ grain dollar was that it was a legal tender, and to have done so would have subjected them to have forfeited their charters.

Now, sir, I desire to ask you: What is to hinder under this bill, if it becomes a law, these same bankers from putting up in their banks whenever they feel disposed similar notices discriminating against this note, as it is only a legal tender for the two purposes above described?

Sir, I have, while I am writing this letter, on my desk (a copy of which I send you) The Leader Courier, bearing date April 3, 1890, published at Kingman, Kingman county, Kansas, a thirty-two column folio. Of the thirty-two columns of printed matter contained therein twenty-six are composed of mortgage foreclosures, numbering 136 in one little county.

Now, sir, I desire again to ask you, on what grounds of equity and justice does your party caucus say that these silver certificates shall be legal tender for the use of reserve for national banks in that county, while it is denied to the mortgage debtor to meet his interest and principal to these same banks?

Sir, in the month of December last, I was one of a committee under authority of my organization, that met in convention at St. Louis with three hundred representatives of these farmers, and they at that time informed me that they were overburdened with notes that they had given in the spring for seeds and other purposes, for which they were paying from 12 to 36 per cent interest, and that they were in some instances selling corn at 14 cents per bushel to meet the same. And yet, sir, you as a leader of a great party in the legislative halls of the nation gives your sanction to a measure that discriminates against them in favor of those to whom they are in bondage.

Sir, this bill creates money for the bankers and notes for the farmers. I insist that it is not notes these farmers are in need of; they are already burdened down with notes. It is money that they want with which they may liquidate their indebtedness to their bondsmen, and not notes that the bondsmen may refuse to take when tendered to him. I insist, sir, that if you, as leader of the House, let this measure pass creating these certificates, without conferring upon them full legal-tender power, to enable these overburdened farmers to meet their obligations, you are guilty of committing a wrong, and, I mark it, it is one that both you and your party will have to atone for in the coming Congressional campaign. These overburdened tillers of the soil are in no mood to be trifled with. They are desperate, bordering upon madness.

You, as the leader of your party in the House, are on the point of pressing a measure through the House known as a tariff bill, which you say is to protect these tillers of the soil from ruinous competition from abroad. Let me again, I beg, warn you that since the last campaign that was fought out upon that issue, these same tillers of the soil have come to the conclusion that during that campaign they were laboring under a delusion, and that they have come to a farther conclusion that it is not from competition from abroad that they are suffering, but, on the contrary, it is from legal discriminations against them in the interest of corporate wealth, by just such unfair legislation as is contained in this bill. There are other features of this bill that are dangerous to the interest of the people as those that I have pointed out, but I find that my letter has already assumed longer proportions than I intended, and will refrain from reviewing them at this time. Hoping that this matter will receive your most serious consideration,

I remain yours, respectfully,

RALPH BEAUMONT,
Chairman Knights of Labor Legislative Committee.

VIRGINIA is reporting progress in a most satisfactory way. May-day Col. Robert Beverly addressed a most enthusiastic audience at King George Court House, after which four Alliances were organized by C. H. Pierson, composed of residents of different parts of the county. These will, of course, meet in the neighborhood to which they belong. Col. Beverly says that there is no trouble in explaining the sub-treasury plan to the people of that section, and it meets universal approval. It is probable, by the way, that no county in Virginia will fail to be represented at the next State meeting.

Those Funny Men.
BY HARRY HINTON.

Now I will and now I won't;
Now you see it and now you don't;
Under my hips and over your nose,
Hocus pocus and there she goes.

For the greater part of two sessions of the Congress of the United States the great monopolies and combines have stood in fear and trembling (in fear and trembling, *quid licet*) and the downtrodden of the common people looked with eager hope and expectancy when the august Senate pointed its cannon against these sub-principals of power, and as they directed their hundred-pounders at the East and then at the West, at the North and then at the South, there was a thrill of joy manifested all over the land; but when the report was made and the volley took effect, lo! and behold it struck the English Cunard steamers in mid-ocean.

"Quite a funny man is the heathen Chinee."

The sum of the bill is this: The restraint of trade is illegal and the Circuit Court of the United States may punish it or not, as it pleases. They can impose a fine of $6\frac{1}{4}$ cents, or they can imprison for ten hours, or both, at the discretion of the court, but they shall not exceed a fine of five thousand dollars nor an imprisonment for one year. Both the expressed purpose and the punishment annexed miss the mark and strike no one. It is an absolute sham and a nullity.

"Oh, lordy, mas'er Joe,
What makes you fool dem darkies so."

Who is it restraining trade? Who asked for a law to punish those restraining trade? Where can the parties be found and identified who restrain trade? Persons may organize monopolies and combinations to prevent competition and to limit the output, but trade may continue at an enhanced price all the same. Here is a taxing power within the pale of the Government. Here is a subversion of the rights of the citizen to engage in any business with open competition, and an equal and fair chance to reap the reward of his capital and labor. To be laid under tribute by an imperium in imperio, by a principality, and that principality powerful enough to choke down all weaker rivals, is an infringement of the individual rights of all men and a plain violation of the fundamental principles of all civil government, and the personal freedom of the citizen himself.

We will learn more as we older grow. The Senate cannot protect—

1. The personal freedom of the citizens of the United States against paying tribute to a principality within her borders.

2. The United States Senate can not pass laws to protect its citizens in engaging in any business—not unlawful—they may choose without let or hinderance by other parties.

3. The Senate of the United States have no power to suppress principalities and powers who have organized to subvert open competition, and to limit the output so as to levy tribute upon the consumer; and why?

Because it is unconstitutional. Hitherto this august body has often torn and stretched the Constitution until you could throw Mt. Vesuvius through the holes whenever it was necessary to legislate for the benefit

of these pets of the nation, but when the people come asking for freedom, for justice, for their rights, it is sorely tender on the infringement of the constitution.

For what purpose was the constitution made? We read in the preamble it was to establish justice, to promote the general welfare, to secure the blessings of liberty, and don't it do these things outside of the sphere of the States? If the constitution don't establish justice, promote the general welfare, and secure the blessings of liberty let it be changed. The people have no use for it as it is.

The Supreme Court says it is not in the purview of the States. Congress says it is not in the power of Congress. So the people must endure thralldom under a constitution made for the express purposes to establish justice and secure the blessings of liberty. These moneyed powers are therefore above the constitution and the laws of the States. It is impracticable for the States all to concert and to pass laws punishing these principalities even if they could. The people, therefore, are left to the devouring jaws of the wolves, and to take care of themselves the best they can.

History has several cases of this sort, and prudent legislators should study them well. Charles the first of England, with his packed parliament, could not find room to establish justice and to secure the blessings of liberty to the British subject without infringing on the prerogatives of the crown. He lost his crown and his head, and the people made way for liberty. When the people asked for more privileges he demanded more money.

Louis, of France, unheeding of the growing spirit of freedom in his own country could not check the wasteful expenditure of public money, and when the people asked for laws more just, he too called for more money. He lost his crown and his head, and France stremmed with blood. These cases are parallel, and there is no remedy except the ballot-box; but the people must suffer until they can educate public sentiment and oust their enemies from place and power. This will be difficult to do, for the people are poor. They have been cruelly robbed of their substance by a partial course of legislation, and they have no money to buy votes of the riffraff. Their enemies have the money. They can defray the expense of the campaign; they can subsidize the press; they can place the most brilliant talent of the nation in the field, and the common people laboring day by day for a subsistence will not be able to discern the cunning devices of their enemies. It may be four years, or it may be ten years of lost liberty and justice before they be able to discern the situation. By that time the manacles of the octopus may be so securely entwined around them that there will be no hope through the ballot-box.

If American freedom has a friend now is the time for him to show it. We bring the fathers to the witness stand:

Roscoe Conkling—They (the two parties) have been going down, down, until they have almost reached the lowest depths. What a sad commentary on the politics of a great republic!

John C. Calhoun—The parties are held together by the cohesive power of public plunder.

Thomas Jefferson—Funding is simply robbing the people on a great scale. The poor is our dependence for liberty.

Andrew Jackson—The question is distinctly presented whether the people * * * are to govern or whether the power and money. * * *

Abraham Lincoln—It is the effort to place capital above labor in the structure of the Government. I bid the laboring people beware of surrendering a power which they now possess, and when surrendered their liberty will be lost.

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

Salmon P. Chase—It (the banking act) has built up a monopoly that affects every interest in the country. It should be repealed. But before this can be accomplished, the people will be arrayed on one side and the banks on the other in a contest such as we have never seen in this country.

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

Abraham Lincoln—Corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working on the prejudices of the people until all wealth is aggregated in a few hands and the republic is destroyed.

George Washington—Let me now warn you in the most solemn manner, against the baneful effects of party spirit. In offering to you, my countrymen, these counsels of an old and affectionate friend, I may flatter myself that they will be productive of some occasional good, that they may serve to moderate the fury of party spirit, and to guard against the imposture of pretended patriotism.

Here we have the voices from the tombs of our patriotic dead, great and good. They tell you all about the rascality which is now in high dudgeon in this country, for they knew that certain causes would produce certain effects. Now, gentle reader, take these testimonies around and read them to whomsoever you meet, and if any man say that these great and good men lie, shoot him down on the spot.

The "Overproduction" Theory is a Fraud.

BY ERNEST HOLLENBECK OF DAVISON, MICH.

J. R. Dodge, United States statistician in the Department of Agriculture, labors vigorously to prove there is "over-production" of agricultural staples in his March report. C. W. Davis, in April Forum, proves the same heinous crime against farmers to his own satisfaction. The American Economist of April 4 quotes both approvingly, as becomes the organ of the Tariff League. In THE NATIONAL ECONOMIST of April 12, Statistician Dodge "comes back at" the editor for criticizing his March report, and insinuates those who disagree with him are "cranks or political farmers." Each of these persons, being expert statisticians, understand the art of making statistics prove anything. Possibly some of them will kindly explain some more of their statistics. From page 222 of the Eleventh Statistical Abstract of the United States, 1888, we learn that the wheat crop of preceding twenty years developed, as shown in this table—

	Total production. Bushels.	Total area. Acres.	Total value. \$
1868.....	224,036,600	18,460,132	\$319,195,290
1888.....	415,868,000	37,336,138	385,248,030
Per cent gain.....	85.6	102.2	20.6

The area increased 5.1 per cent per annum, the total production 4.3 per cent per annum, and the total value only 1 per cent per annum.

From page 131 we learn that the export grew as follows:

	Wheat. Bushels.	Wheat flour. Barrels.
1868.....	15,910,899	2,076,423
1888.....	65,789,261	11,953,574

Per cent gain..... 313.5 476.1

The export rose to over one hundred and fifty million bushels, two years of the twenty, and exceeded the export of 1888 for ten years of the twenty, omitting the flour export. So the comparison of 1888 with 1868, gives them odds in the argument.

Allowing the usual estimate of five bushels per capita, or its equivalent, one barrel of flour, the increased foreign export demand is equivalent to an added population of bread eaters numbering nearly 20,000,000. An increase in foreign consumers of wheat by 377.7 per cent. Our own population in 1870, the nearest census year to 1868, was nearly 39,000,000. Mr. Dodge estimates the increase for ten years at 30 per cent, in NATIONAL ECONOMIST of April 12, which is the usual estimate of 3 per cent a year. This gives 60 per cent increase from 1868 to 1888; or over 23,000,000 bread consumers added to our own population.

To be reasonably exact, there were 41.5 millions of consumers in 1868 and 81.5 millions in 1888. In round numbers, an increase of 100 per cent, or 5 per cent per annum.

From the Finance Report of 1889, Vol. 2, "Commerce and Navigation of the United States, page —," we learn that the average export of wheat and flour made this brilliant retreat:

	Wheat per bushel.	Wheat flour per bbl.
1868.....	\$1.897	\$10.069
1888.....	.853	4.579

55 per cent loss. 54.3 per cent loss.

An average annual loss of 2.75 per cent on export price.

Now will statistician Dodge, C. Wood Davis, The Forum, The American Economist and their allies, please explain how "over-production" which amounted to 5.1 per cent increase in area per annum, total production 4.3 per cent increase per annum, met by an increase of 5 per cent per annum in consumers, caused an increase of only 1 per cent per annum in total value and 2.75 per cent annual loss in export value?

In the light of United States statistics the cry "over-production" looks like a fraud.

Probably these gentlemen are not "economic or socialistic cranks, or political farmers." Possibly they are not even professional jugglers of statistics. Please explain to us unlettered folk the mysteries of statistics!

The Toiler (Nashville, Tenn.) This is the true doctrine: No North, no South, no East, no West, is the sentiment now fast rooting out sectional prejudices. Among farmers of every State in our Union where the Farmers Alliance and Industrial Union has obtained a foothold, farmers are beginning to realize that if they ever succeed in relieving themselves from the clutches of aggregated capital, they must come together as a great fraternal brotherhood, bound together by the ties of common interest, and that sectional and party prejudices will not feed and clothe the hungry, or bring prosperity to the toiling millions.

THE NATIONAL ECONOMIST.
OFFICIAL ORGAN OF THE
NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.
PUBLISHED WEEKLY AT WASHINGTON, D. C.
BY THE NATIONAL ECONOMIST PUBLISHING COMPANY.
Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

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

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

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

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

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

Address all remittances or communications to—

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

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

A FORTY MILLION GOBBLE.

The last section of the silver bill recently introduced repeals section 5222 of the Revised Statutes:

SEC. 5222. Within six months from the date of the vote to go into liquidation, the association shall deposit with the Treasurer of the United States lawful money of the United States sufficient to redeem all its outstanding circulation. The Treasurer shall execute duplicate receipts for money thus deposited, and deliver one to the association and the other to the comptroller of the currency, stating the amount received by him, and the purpose for which it has been received; and the money shall be paid into the Treasury of the United States, and placed to the credit of such association upon redemption account.

And section 4 of the act of June 30, 1874, which provides:

SEC. 4. That any association organized under this act, or any of the acts of which this is an amendment, desiring to withdraw its circulating notes, in whole or in part, may, upon the deposit of lawful money with the Treasurer of the United States in sums of not less than nine thousand dollars, take up the bonds which said association has on deposit with the Treasurer for the security of such circulating notes, which bonds shall be assigned to the bank in the manner specified in the nineteenth section of the national bank act; and the outstanding notes of said association, to an amount equal to the legal-tender notes deposited, shall be redeemed at the Treasury of the United States, and destroyed as now provided by law: *Provided*, That the amount of the bonds on deposits for circulation shall not be reduced below fifty thousand dollars.

The repeal of these two sections gives to the banks all the benefits arising from the lost and destroyed national bank currency. This is a clear steal of more than \$40,000,000, and virtually repeals part of section 6 the act of July 12, 1882, which provides that "any gain that may arise from the failure to present such circulating notes for redemption shall inure to the benefit of the United States." The banks have been at work to obtain the profit of this lost currency for many years, and have put up numerous schemes for that purpose. The Treasury

Department has been willing all the time, but it could not be covered up sufficiently to escape detection. With the present desperate condition of their affairs, and the full knowledge that their lease of power is rapidly nearing the end, the banks are willing to take the chances, and hence this rider is attached to the silver bill in hopes that the necessity for the one will pull the other through.

QUIET WORK BY CORRECT METHODS.

The Legislative Committee of the National Farmers Alliance and Industrial Union has now been a fixture at Washington since December last, and its influence is just beginning to be perceptible. Many members of Congress who have not met either member of the Legislative Committee are no doubt surprised because it has been the custom of persons clothed with power or influence, be it in ever so small a degree, to lobby freely and bring every argument possible to bear on a great many questions, and in favor of personal position for a host of importunate friends. How different with the National Legislative Committee. They have lobbied for nothing; they have asked no places for friends. They have simply presented the bills they were instructed to present, and asked that they might be allowed to appear before the committees and defend the same. They have carefully avoided partisan preferences, and with dignity performed the duty assigned them. They have not fawned upon or followed Congressmen to make personal acquaintances, and they have kept themselves aloof from any acquaintance with the professional lobbyist, the scheming politician and the party boss. In spite of all this, newspapers have charged the committee with partisan partiality, and in view of all this the charges become highly amusing, as was shown in last week's ECONOMIST by the double column article showing that the ultra partisan reporters of Republican papers charged the committee with leaning toward the Democrats, and those of Democratic papers with leaning toward the Republicans, but after a hearty laugh at the admirable manner in which they jointly have acquitted the committee of what each charges there is a serious and a useful lesson to be learned from the incident (which has since been repeated). The committee must have conducted itself with great circumspection, and must have been strictly neutral in politics. The unscrupulous politicians "the spoilsman," the "ringsters," and loud-mouthed professionals in both parties are becoming alarmed because they know that there is an honest, conservative, and strong element in each party that is willing and anxious to hear the farmers' complaints and will listen to his version as to the cause of his troubles, and when convinced as to what is right,

will insist on their party advocating such measures. This last element hold the interest of the people in higher esteem than party supremacy, while the former element holds party supremacy above everything. And in this connection it is well to state that in spite of the oft-repeated assertion to the contrary, there are but very few of the first or unworthy element in Congress, but it is pretty well surrounded with it. And that element dreads above all things to see the honest and true members of Congress take up and consider the necessities of that honest and true people, the farmers, because they know that such members, once convinced, can not be held by party lines, and that such members will have the nerve to brave the ridicule that the Washington ring heaps upon every member who takes a stand in behalf of the farmers, a sample of which is for some little reporter without practical sense enough to milk a cow to wire a dozen large city papers that so and so is turning out to be a thorough demagogue, and is truckling to the farmers. But why all this stir? Simply this: The legislative committee have attended to their own work, and nothing else, and have thereby shown these professionals that they could not be side-tracked. The result is there is a probability that they will get their business before Congress, and this bad element of both parties is frightened lest the good end of their own party will take up the cause of the farmers, and much more frightened lest the good end of the opposite party will first advocate that cause and thereby capture the good end of their party, making them practically, as the expression now goes, between his satanic majesty and the deep blue sea. In the meantime the farmer smokes his cob-pipe quietly at home, reading the newspapers and keeping a record.

JUST at present Congress is being flooded with petitions asking that the national banking system may be continued. This is a new departure and should give the people courage. For the past quarter of a century, when the banks wanted any legislation they came to Congress and bought it, the same as they would purchase a barrel of flour or a pair of boots. Having at last become frightened at the rapid growth of public sentiment against them, they will try to stay up the hands of their friends in Congress and furnish an excuse for further existence by a liberal supply of petitions. The edict has gone forth and the whole power of that organization will now be devoted to obtaining signatures to petitions. This will be an easy matter, as their motto will be "Sign or die." With every business man in their debt, and consequently at their mercy, there will be no difficulty in getting up petitions of this character. This movement proves that public opinion has at least made itself felt, and as a result the banks are not satisfied with the situation.

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. 53.

AN INADEQUATE THEORY.

The idea that competition cannot be relied upon to fix the measure of returns in certain classes of industry is, as we have already pointed out, a very persistent one. A unique example of the attempt to reduce that idea to a theory, supported by analysis of the subject, is presented by Prof. H. G. Adams, in his address on "The Principles that Should Control the Interference of the State in Industry." This analysis of competition, as acting upon different classes of industry, is summarized by Prof. E. J. James, in his pamphlet intended to prove that the gas business is a natural monopoly, and on account of his condensation of the theory, is the most convenient to use in this article.

Prof. Adams' theory divides industries into three classes, which are termed "industries of constant returns, industries of diminishing returns, and industries of increasing returns." The industries of the first class are such as demand proportional increase of capital and labor to secure a given increase in products; thus, if \$10,000 of capital and a stated amount of labor result in \$10,000 worth of products per year, the theory is that in industries of constant returns, the increase of the capital to \$15,000 and the increase of the labor by 50 per cent, will increase the annual product to \$15,000. In all those classes of business, it is alleged, where success depends largely upon attention to details, and where the personal element of management is brought prominently in view, this rule of constant returns prevails. For example, the retail business of merchants is alleged to be of this class; and it is singular to find in this analysis of the different classes of enterprise, published four years ago, that "it is not necessary for public officials to inquire if sugar is sold as low as fair dealing's demand, because this business is one that invites competition, and can be regulated by that force."

The second class of industries is that where "a given increment of product calls for a proportionately larger increment of capital and labor." Thus, if \$10,000, with the proportionate amount of labor, produce \$10,000 worth of product, the increase of the capital and labor by 50 per cent in this class would only increase the product or profit by 37½ per cent. This, it is asserted, is a class of industry which can very clearly be left to the regulation of competition. "The ratio of product in the new industry is greater than in the one that is further developed, and for this reason we may rely on individual interest to maintain a larger number of separate producers. Farming is a fair example of this class of business."

The third class, the industries of increasing returns, are those in which every increment of capital secures a larger increase of product. Thus, if every \$10,000 worth of capital in a certain class of corporate business produces \$10,000 worth of product, according to

this theory, the increase of the capital to \$15,000, or 50 per cent, would result in an increase of product, not only 50, but 60, 80, or even 100 per cent. "Where the law of increasing returns prevails," says Prof. James, "the principle of free competition is powerless to exert any healthy, regulating influence. This is true, because it is easier for an established business to extend its facilities for satisfactorily meeting the new demand, than for a new industry to spring into existence." The classes of business which approximate, or attempt by their organization to establish monopolies, are loosely and generally included in this third classification. Prof. James argues very decidedly that the business of furnishing illuminating gas in cities is of this class. Other economists argue with equal force that the railroad business is of the same order.

I must do Prof. Adams and Prof. James the justice to point out that they do not present this theory in support of the idea which the advocates of corporate combination advance, that the rivals must be permitted to form pools and trusts in order to preserve themselves from extinction. On the contrary, their claim is that in the class which they assert cannot be safely left to the regulation of competition the profits of the earlier establishment can be made so great that the regulation of competition is not sufficient to insure the reduction of prices to the reasonable and average margin. Prof. James uses the classification to argue that the manufacture of illuminating gas for cities is a natural monopoly, which should, therefore, be placed in the hands of municipal government. Nevertheless, the theory is one which is used in connection with and to support the idea that, as one gentleman has said, "In some kinds of business competition will keep corporations within bounds in their charges; in others it will not," and is, therefore used to assert the principle that natural monopolies must either be left to the control of combinations or be placed in the hands of the Government.

An illustration of the factitious character of this theory appears when a careful examination of its application to the different classes of business is made. Although the division of the various kinds of enterprise and industry seemed to be in accordance with the facts, it is actually the case that every kind of enterprise, at different stages of its development, belongs to each of these classes. The division is peculiarly arbitrary.

The farming industry is asserted to be one of diminishing returns; and the assertion is so far in accordance with the fact that when a farmer has that average of capital and labor engaged in his work which is shown to be about what can be intelligently supervised and applied under one management, the increase of the capital in the way of enlarging the farm, or as a multiplication of farm machinery and buildings, will be likely to produce an increase of product less than the increase of capital.

Suppose that two hundred acres is the size of the farm which the ordinary farmer can manage and operate to the best advantage. The enlargement of that farmer's agricultural land to one thousand acres would not multiply the net product by five times, and would make the gross yield actually less than if the one thousand acres were operated by five separate farmers. This is an apparent support of the theory

of diminishing returns; but the truth of that theory as sufficient to explain and justify all the economic problems of competition, is entirely destroyed by the perception of the fact that in the beginning of the farming industry every increase of capital yields a more than proportionate addition to the product. The farmer who starts out to till ten acres by digging it up with a spade and reaping his harvest with a sickle, will multiply his production a hundred-fold, and, perhaps, a thousand, when he is able to till one or two hundred acres with plows and mowing machines. In other words, this industry, which is alleged to be the great standing example of one of these divisions of industry representing the theory of decreasing returns, clearly belongs by its history and development at one stage to the class of increasing returns; at another, when the investment of capital and labor has reached the point that can be intelligently managed by a single head, to the class of constant returns; and when it exceeds that point it belongs to the class of diminishing returns.

More than that, the point at which the industry will be changed from the one class to the other will vary in accordance not only with the circumstances of the industry and the development of inventions, but also with regard to the individual skill and ability with which each separate farm is managed. The general average of intelligence and skill is so nearly the same, that for the mass of such industries the point where the returns from the industry cease to be constant is about the same for the mass of the industry; but the exact point in each individual case must vary with the abilities of the individual. Some farmers have the skill and management necessary to conduct a farm of 5,000 or 10,000 acres in extent with the best results; others of equal capital, or even greater, have tried to manage such farms, but have failed. The point where the farming business belongs to one class or the other depends upon the skill and ability of the person who has charge of each farming establishment.

This makes it clear that the division of enterprises into the three classes produced by Prof. Adams' ingenious theory, entirely fails in the case of that great industry which forms the basis of this country's prosperity. But the further fact is of immense importance as entirely destroying the value of this theory, that there is not a form of commercial or industrial enterprise, which does not exhibit in its different stages of development the different characteristics of each of these classes. At a certain stage, every enterprise is in such circumstances that each intelligent application of capital and labor will secure greatly increased returns. At a certain point it is the fact that each additional increase will produce only proportionately increased returns; and beyond the point where the average business man can control and apply the increase of capital and labor to the best effect, the result will be an increase of returns proportionately less than the increase of capital and labor.

These theorists think that the mercantile business is peculiarly one of constant returns, and yet the entire effort of commercial competition is to seek methods by which the same amount of capital, or a slight increase may produce a large increase in returns. One merchant obtains fortune in securing \$100,000 worth of sales on a given amount of capital and rent, where his competitor makes only \$50,000 or \$75,000 of sales

on the same capital and rent. The utterly fallacious idea of the theory that the returns are wholly controlled by the amount of capital, is shown by the fact that a man with the commercial skill of a Stewart or a Wannamaker can start out with next to no capital at all, and can make each increase of capital that he succeeds in earning by his skill and industry, bring in a more than proportionately increased return of profit, until he reaches the point where he employs millions of dollars to the best advantage in his business, while his competitors, who in the beginning commanded far more capital than he, have fallen far behind him in the race.

The greatest and most beneficial operation of competition is that of stimulating effort and invention, by which a slight increase of capital can be made to yield a vastly multiplied return. The instances in which competition has secured such a return of multiplying production by additions of capital in the form of machinery, which were of slight cost compared with the results, are of such a number that their mere recountal is impossible. The entire revolution of industry and commerce which has been secured during the past generation has been due to the premium offered by competition upon the successful conversion of industries of constant and diminishing returns to those of increasing returns by the application of new inventions. Two generations ago the sickle and the flail represented the capital necessary for the farmer to harvest and thresh out his grain; to-day the reaper and binder on the one hand and the power thresher on the other, show the increase of capital applied to the same process, while the return from the increased capital has multiplied the production. And this process in various degrees and in various forms, extends throughout the entire range of industry. Most of us can remember when each blacksmith at his forge, beat out horse-shoes and the nails to fasten them with his hammer. Now those horse-shoes and nails are turned out by machinery, so that a simple workman by the aid of the capital invested in the machines, makes a product greater than that of twenty blacksmiths. The process is constantly going on. Twenty years ago it cost \$30,000 or \$40,000 to build a blast furnace which would yield the best production of pig-iron according to the inventions then devised; and the average product of such furnaces was likely to be 8,000 or 10,000 tons of iron annually. At present it costs three times as much to furnish the costly improvements in blast furnace, but the product of that increased capital is six times as great. In commerce, in manufactures and in agriculture this effort is constant to make the application of increased capital yield a more than proportionate increase of return. The magnificent success which has been attained in that effort during the last 30 years has been wholly inspired by the reward offered by commercial improvement.

The important conclusion reached by the theorists who advance this classification of industry with regard to their return is that in the industries of increasing returns, the elder industry can, whenever competition arises, by increasing their capital, undersell the new establishment, and thus retain their practical monopoly. This idea may have some bearing upon the problem for which an adequate solution is required, viz., the reason why competition is frequently pushed to the losing point. But so far as any

natural relation between the fact that an increase of capital may furnish a more than proportionate increase of return is concerned, it is utterly disproved by the facts. The rolling mill or cotton mill which turns out a given product on single turn, can immensely increase its product with hardly a sensible increase of capital, if it obtains business enough to run on double turn. By this means the employment of the same capital, by doubling the labor, would double the product. According to the theories of Professors Adams and James, this ought to exclude all new enterprises, and must wipe out all competitors of inferior capital, but it does not. The cases, in exactly such industries, where new competitors have arisen from a beginning of inferior capital to that of commanding prosperity are legion. I have under my personal observation the case of a manufacturing establishment with \$600,000 of capital, which, during the last two years, has commenced competition with competitors in which its least wealthy rival commanded at least \$5,000,000 of capital, and has carried on an active and prosperous competition with them.

The railroad business is supposed to be one in which this theory of increasing returns is peculiarly applicable. The railroad, with a given amount of capital invested in its tracks and depots, that can double the amount of freight it handles, will more than double its net return; yet, although the principle of competition is stifled upon the local traffic of the railroads, there are abundant cases in which new competitors, with comparatively slight capital, have entered into competition with the greatest railroad systems of the country, and have carried on the competition in the most successful manner. The Pittsburgh and Lake Erie railroad, with less than \$4,000,000 of paid-up capital, entered into competition, in 1879, on the most important articles of Pittsburgh freight traffic with the Pennsylvania railroad, commanding a capital of over \$200,000,000 on the entire system. In five years thereafter the Pittsburgh and Lake Erie railroad reports exhibited net earnings 33 per cent of the gross earnings, while the net earnings of the Pennsylvania system, of the lines in which the new road was in direct competition, were 34 and 38 per cent. The stock of the new road at the end of the five years sold at 200 per cent premium, while the stock of the Pennsylvania railroad was not above 20 or 25 per cent premium. With regard to the railroad system as a whole, while it is the theory that each addition of capital may secure a more than proportionate increase of return, it is the actual fact that the great majority of roads show a close adherence to the general average of net earnings. There may be an exceptionally prosperous company where the net earnings are 45 or 50 per cent of the gross receipts; there may be an exceptionally unprosperous one, where the net earnings are 10 per cent or nothing; but the vast bulk of them show a net profit somewhere in the neighborhood of 30 per cent. The difference between roads that pay dividends and those that do not is mainly with reference to the ability of that proportion of net earnings to meet the fixed charges and pay dividends, according to the inflation or the *bona fide* nature of the capital invested in the enterprise.

This comparison of the theory with the facts shows that the idea of accounting for the failure of competition by the division of industry into various

classes, wholly fails upon its application to actual practice.

All industries belong to the different classes of constant, diminishing, and increasing returns at different stages of their development. Individual skill may promote a single establishment from the former to the latter class. Competition furnishes the stimulant to all the efforts to advance industries to the class of increasing returns, and when it has done so, in numerous cases, it still exerts its regulating effect. The theory is ingenious, but wholly fails to harmonize with the facts.

THE SILVER QUESTION.

After a long struggle a silver bill has been formulated. As it now stands the bill practically demonetizes silver and clothes the Secretary of the Treasury with an increase of his already despotic power. Should this become a law the whole indebtedness of the country would again be made payable in gold alone. To bring about this condition has been the aim of every Secretary since 1865, and this bill, to all intents and purposes, accomplishes this end. The people have been promised by both political parties the free coinage of silver; this is what they want and have a right to expect. Nevertheless, the edict of Wall street has gone forth that every effort shall be made to defeat such a measure. It may be safe for Congressmen to go back to their constituency with such a bill as the one offered, but they should remember that the people are learning very fast. From the amount of silver to be purchased it is evident that one of two things must occur, either an increase of production in this country or a continued purchase from abroad. Under these circumstances it looks as though there were the usual job somewhere in this bill. Who with an interest in Mexican silver mines is advocating the passage of this measure? It is perfectly safe to say that some one or more has.

The whole amount of silver produced in the United States for 1888 was 45,783,632 fine ounces. During the same year not less than 8,000,000 ounces were consumed in manufacture, leaving but 37,783,632 fine ounces for export and coinage. This bill provides for the purchase of 54,000,000 each year, or 17,000,000 more than the entire annual production. No doubt there is mischief in this section of the bill, and as usual will result in loss to the producer. Already silver bullion is being hoarded in anticipation of a corner, and soon the same conditions will obtain in regard to the purchase of bullion that now exists in the case of the 4 per cent bonds. Why can not the party in power live up to the promise made in their platform of 1888?

The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic administration in its efforts to demonetize silver.

If it was right to make this pledge then, it is none the less proper to redeem it now. Let us have the free coinage of silver, pure and simple, and thereby avoid dangerous pitfalls.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

NATURE POINTS THE WAY.

"Man, as the minister and interpreter of nature, knows and does as much as his observations upon the workings and order of nature teach, and he neither knows nor is capable of more." As often as man, heedless of nature's guidance or warnings, does violence to natural law, he does and must incur a penalty.

Nature's laws, moreover, are self-executing, the offense committed, *ipso facto*, the offender stands convicted, and the penalty is incurred. It is a physiological law that the diet of man must be varied or health must suffer. It is the duty of every householder or head of a family to know this fact, and to make provision accordingly.

Nature provides a succession of fruit and vegetables from early spring to late autumn, and these the city markets afford in season to the owner of a plenteous purse, but in the country even the poor should be provided with "the timely fruits of the earth." On every farm, however small, there should be a kitchen garden, in which there should be not only corn and tomatoes, potatoes and cabbage, but a succession of wholesome vegetables, early and late, covering the season.

Not less important than the kitchen garden is the orchard and the small-fruit gardens, not omitting the vineyard. Here, too, nature publishes the catalogue. First comes the strawberry, delicious and wholesome, closely followed by the pie plant, the cherry, raspberry, blackberry, etc.; the apricot, the early-summer apple and pear; the peach, the grape, the melon, the late summer and early fall apples, peaches, grapes and pears, and, last of all, the late fall and winter-keeping sorts.

From such a bountiful provision of nature, to provide nothing from year's end to year's end but "hog and hominy" is a sluggard's crime against himself and his family. That which he will not spend in this behalf he shall spend in drugs and medicines, and doctor's bills, lost time, and inefficiency; and, saddest and last of all, undertaker's fees and expenses.

It is not a mere question of good things to eat, not to be despised, but of health and happiness and working power.

Let no man make his belly his God, but let every man provide liberally for his family.

THE HEREDITY OF ACQUIRED CHARACTERS.

A learned scientist has been reading a learned paper before a learned body, showing the hereditary transmission of acquired character. Such transmission is self-evident. Without it the breeder of live stock could effect no improvement in his breeds. The thing is known to every practical farmer, and he acts upon it in the pursuit of his business. All the characters in which domestic animals differ from the wild species from which they are descended are neither less nor more than acquired characters become hereditary. All the characters in which the numerous breeds of domestic animals differ from each other,

and some of them differ more widely than many natural genera, are merely acquired characters uniformly transmitted by heredity. In the language of the practical man, they have become fixed in the breed. Innumerable cases are known in which characters, suddenly acquired by disease or accident, have been transmitted. The value of a pedigree depends on the fact well known that acquired characters will be transmitted.

Why should we discuss any more about it scientifically, seeing that the book of the famous horse Axtel has speedily filled at \$1,000. His ability to trot a mile in harness in two minutes and twelve seconds is not an aboriginal character of any known breed of horses. It is a recently acquired character of the American trotting horse, and the chances that the horse Axtell will transmit that acquired character of phenomenal trotting speed in harness, are sold commercially, at \$1,000. Heredity is, indeed, a subject of high interest, and it is high time men were learning to apply the lessons deduced from its laws to their own case. Are there two families in which some great moral or physical or psychical defect has become hereditary? Surely for them to intermarry is to tempt Providence. Why should men and women do most foolishly in a matter of all matters most important?

A REMARKABLE CASE.

A friend sends from Alabama the following case, and asks an opinion:

A young mare was bitten by a poisonous snake, but made a good recovery, and since appears in perfect health. She subsequently to the accident produced twin mule colts. These colts both died. She has subsequently, at different times, produced two more foals, each of which seemed all right, but as soon as they took nourishment from the mare they both died with a staggering disorder of some kind; and the opinion is held by some persons familiar with the case, that the mare's milk was poisoned in consequence of the bite of the snake. We think not. The snake poison could not remain in the circulating fluids, nor in the secreting glands over so long a period. The mule colts appear to have died without sucking, and doubtless from the same ultimate cause the two subsequent foals died.

It is probable that the ovaria suffered structural deterioration as the result of the snake bite, and are not capable of furnishing ova which can produce healthy foals. The horse is peculiarly sensitive to the venom of poisonous snakes and frequently dies of their bites. After the shock of such a profound blood poisoning as produced by the snake bite, the reproductive system may remain in a damaged state permanently. In such a case it may happen that enough vital energy remains to carry foetal development to birth, the young expiring shortly after birth, or being born dead. We have seen many successive still-born children of full size and no visible defect, the mother having been the victim of constitutional disease. We have no doubt the case described is analogous, and probably the mare is useless for breeding purposes, but there is no snake poison left in her.

OUT OF DOORS.

One of the most judicious and best men ever known to this writer was accustomed on all sorts of occasions

to drive his children out of the house. Whenever his quiet was disturbed by an uproar amongst the small fry he would open the door and call out, "Here, children, get out! Go out of doors! Clear yourselves, every one of you!" Then would follow a general rushing out, some by the front door, some by the side door, some by the back door, some through the pantry and snatch a cake or a handful of sugar as they went, and soon the whole pile would be rolling over on the grass. A very distinguished medical writer of fifty years ago, speaking of the vast advantages of exercise in the open air for young children, says:

"Girls should not be confined to a sedentary life any more than boys, nor at most be allowed a short walk veiled and defended from every glean of sunlight and every breath of air; let them be free to enjoy the unconstrained exercise of their limbs and muscles in the open air, without a ligature to restrain their motions or an ever watchful eye to curb the lively joy of their unclouded spirits, which is equally important to their health and happiness as to that of their brother. To hope, he continues, "to communicate graceful form and movements to the limbs of a child, health and vigor to the constitution, cheerfulness to the spirits, by confinement, belts, ligatures and splints, superadded to the lessons of the posture-master, is about as rational as would be the attempt to improve the beauty and vigor of our forest trees, by transferring them to the green house and extending their branches upon an artificial frame work." Every feeling heart must have looked with pity upon the puny countenances and melancholy aspect of the poor little puny creatures of eight, ten or twelve years of age, exhibited by parents as prodigies of learning and early acquirement in language, elocution, music or drawing. Alas, short-lived prodigies of learning, they can never become healthy, well-informed and truly accomplished men and women. Golden words are these; nor was the wisdom in all cases mere foolishness. Notwithstanding all the marvelous advances of the moderns, there remains in the works of these old writers a wealth of wisdom and experience capable of vastly enriching the acquirement of the most learned, experienced and eminent of the medical scholars of to-day. The time is now come when children could be out of doors every day as may be at all possible. Let them come out of the towns not later than the 1st of June. Take them to some clean and healthy spot, to some of the farm houses or country boarding-houses which are everywhere open to receive them, and there let them be free as the air they breathe all the long, long summer days. The sturdy, common sense hints they will pick up at their play, and from the shrewd country lads and the workingmen, will constitute a mental treasure not to be despised by the greatest and most learned of men.

The bodily vigor they will acquire will be more to them in years to come, when the life-struggle grows real and earnest, than all the "posture-master" knows. It is nature's inexorable law that only the fittest shall survive this inevitable conflict. Bring the children out of the towns and turn them out of doors.

Fredonia (Kan.) Democrat. Right you are!

The farmers can have free coinage of silver if they will organize on this question next fall, and pledge their candidates to see that such a measure is passed by the next Congress. The farmers control enough districts to even overrule a veto.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 13.

Immediately after the passage of the act of April 12, 1866, the spoliation of the debtor class began. The report of the Secretary of the Treasury for the year ending June 30, 1865, furnishes data for the most serious consideration. It must be remembered that up to this time not a dollar of United States bonds had been sold in Europe. All of this immense debt, amounting at that time to \$2,682,503,026.53, was held at home, and the Secretary himself stated in the same report that the people were out of debt as well as prosperous and happy. The most striking feature of the report is the 5-20 bonds that had been issued. These bonds were really the only bonds issued that was considered as a funded debt. They consisted of the—

5-20's due after 1867..	\$514,780,300
5-20's due after November 31, 1865..	91,789,000
Total	\$606,569,300

The remainder of the national debt almost entirely was doing service as currency among the people. Never had this country, especially the North, known such prosperity. The circulating medium at this time amounted to more than \$70 per capita, and when peace was declared and the people of the South were to be supplied it still gave \$50 per capita of the entire population of the country. Why it was necessary to fund this debt into long-time bonds, and at the same time burn up the only legal-tender paper money, will always remain a mystery in American finance. Secretary McCulloch at once began the work of depleting the currency among the people and increasing the funded debt of the nation. One peculiar feature of this legislation was that it provided for the contraction of the greenback and at the same time for the expansion of the national bank issues.

If Congress supposed contraction was necessary to bring paper to par with gold, why was there no provision to contract bank currency? It was a fact well known to all that the demand note had been at par with gold ever since it had been a full legal tender.

Why did they not try the same thing on the greenbacks? It was also known that gold had been falling even while currency had been inflated. It seems evident from this that par with coin was not so much desired as contraction and the destruction of legal tender paper money. When the greenback was first issued Congress was very careful to tax out of existence the State banks then issuing currency. But at this time greenbacks were to be removed to make room for a bank currency.

The amount and kind of currency June 30, 1866, was as follows:

One year notes of 1867.....	\$8,908,341
Two year notes of 1868.....	9,415,250
Compound interest notes.....	159,012,140
Seven-thirty notes.....	806,251,550
Temporary loan, ten days.....	120,176,196
Certificates of indebtedness.....	26,391,000
United States notes (greenbacks).....	400,891,368
Fractional currency.....	27,070,876
Gold certificates.....	10,713,180
National bank notes.....	294,579,315

Total..... \$1,863,409,216

Divided among 35,819,281 inhabitants gives \$52.01 per capita.

By preserving this table and comparing it with others that will be made for different periods, the amount of contraction can be accurately determined.

On the 21st of February, 1867, Mr. Hooper, of Massachusetts reported to the House of Representatives from the Committee of Ways and Means "A bill to provide ways and means for the payment of compound-interest notes." The first section of the bill directed the Secretary of the Treasury to receive on deposit compound-interest notes, with the accrued interest, as a temporary loan, issuing certificates therefor bearing interest at a rate not exceeding 3.65 per cent, principal and interest payable in lawful money, and that these certificates might constitute and be held by the national banks as a part of their reserve fund. The second section provided for the repeal of so much of the act of April 12, 1866 (12 Statutes, 31), as authorized the retirement of not more than \$10,000,000 within six months from the date of its passage, and thereafter not more than \$3,000,000 in any one month, and prohibited the Secretary of the Treasury from retiring and canceling any such notes during the current year.

It was stated in the course of debate on the bill that there was outstanding \$140,000,000 of compound-interest notes, falling due within the year, together with the interest; and while there was already sufficient authority under existing laws to provide for their redemption by conversion into 5-20 bonds or a further issue of 7-30 notes, still it would be far better for the public interest that they should be provided for in the way proposed than by the issue of legal-tender notes, although a large saving of interest would be gained by the adoption of the latter course.

The bill caused an extended debate in both Houses, and was finally agreed to in conference committee, and became a law March 2, 1867 (14 Statutes, 558). It authorized and directed the Secretary of the Treasury to issue temporary loan certificates in the manner prescribed by section 4 of the act of February 25, 1862, bearing interest at a rate not exceeding 3 per cent per annum, principal and interest payable in lawful money on demand, and that these certificates of temporary loan might constitute and be held by any national bank holding or owning the same as a part of the reserve provided for in sections 31 and 32 of the act of June 3, 1864, provided that not less than two-fifths of the entire reserve of such bank should consist of lawful money of the United States, and provided further that the amount of such temporary certificates at any time outstanding should not exceed \$50,000,000.

The act of July 25, 1868 (15 Statutes, 183), authorized \$25,000,000 additional of these certificates for the sole purpose of redeeming and retiring the remainder of the compound-interest notes. The amount issued under this authority was \$85,155,000, including reissues.

The Northern Light (Spokane Falls, Wash.) says:

There was a time when the American people have taken a great deal of pride in the great commonwealth; when there was reason to consider the republic as "the land of the free and the home of the brave." That time seems to be a matter of the past, and our republic instead of being "the land of the free and the home of the brave," has become the land of alien syndicates and the home of rotten politicians.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

Alexandria (S. Dak.) Journal has a word to say:

Immigration business has received a black eye by the interstate commerce commission's decision that railroads can not sell harvest excursion tickets. Thus the West suffers for the benefit of the East. The Farmers' Alliance has another good reason why the Government should own and manage the railroads so as to be fair to all parts of the country.

The Weekly Union (Luray, Va.) Good; give us more:

We think that the time has arrived when every toiling son of our broad land should realize the necessity of standing shoulder to shoulder and straining every nerve and using every honest effort to crush out the enormous evils that have been practiced upon the toiling masses of our country. The working man's capital is his brain and muscle, and the two should be worked together in order that any benefit may be derived from either. Let us take time to think, that we may realize our condition; then act promptly, that we may throw off the shackles that have bound us for the past quarter of a century. Remember, the harvest will come—will you be one of the "workers in the field?"

The Monroe (N. C.) Register. Good advice:

We notice in some paper an objection to the sub-treasury bill on the ground that the management would be in the hands of Federal officers, who, especially in the South, would probably be very objectionable. The House bill provides that these officers shall be elected by the various counties in which the warehouses are located. Other objections to the bill are equally as groundless as this one. It is sometimes well enough to read a proposed bill and know what it is before criticizing it.

The Alliance Sentinel (Lansing, Mich.) Good for Michigan:

The Alliance is only a few weeks old in Michigan, but already ten counties are on the march. There is something magic about the touch of the Alliance; when you get into this great army, now three million strong, you feel that you are shoulder to shoulder with the "patriotic, liberty-loving people" of this country. A people who live above partisanship and love their country more than any political party, and would not haggle about the methods or names so long as the people are freed from the grasp of monopoly.

Rural World (St. Louis, Mo.) says:

To hear some men talk one would suppose that when a trust or a combine is formed, the men forming it are devoting their time, energies and money for the good of the dear public instead of themselves. This idea has, to use the language of sporting men, "played." The people know better.

The Non-Conformist (Winfield, Kan.) gives this bit of information:

There are over eight hundred papers published in Kansas. Of these thirty-four contained this week publication notices and sheriff's sales to the number of 406. When you recollect that more than half of the thirty-four papers are reform papers that usually get but little of that kind of work, you can get an idea of how rapidly Kansas property is being foreclosed.

The Southern Alliance Farmer (Atlanta, Ga.) shows up a congressional wiseacre:

Congressman Carlton has written a letter opposing the sub-treasury bill. He may have been able to write a good letter and one which would have enlightened his readers if he had taken a subject upon which he was informed, but he missed it woefully when he struck the sub-treasury bill. Nothing but ignorance would induce a member of congress to make assertions as Mr. Carlton does. To begin with, he says that counties where \$500,000 worth of agricultural products are raised these warehouses are to be built, and adds that the government will have to build thousands and thousands of them. This is but a sample of the mistakes made in the article. The real facts are that there are only 3,000 counties in the United States, and of them only

about 856, in any event less that 1,000 of them, would be entitled to warehouses. He further says congress cannot constitutionally pass such laws, but congress has been doing it and we have never heard of Carlton's voice being raised in denunciation of the bonded warehouses or the national banks. Parties who know Mr. Carlton suggest that his opposition to this and similar bills emanates from the fact that they will be very much in the way of the working of a big loan association which he is said to have formed. Loan associations backed by northern or foreign capital seeking to get a hold upon the lands of Georgia are greatly to be dreaded. Beware!

Stafford (Kan.) Republican. Why not tell the fact:

President Harrison in his annual message said: "We have \$1,400,000,000 circulating medium," and Secretary Windom reiterates the same; but it would appear that while it is true we have that amount of money, it is not true that it is in circulation. Secretary Windom admits this when before the committee on the coinage of silver, and Senator Plumb says \$700,000,000 will reach the very highest notch in the circulating medium at this time, only about \$10 for each person. Now we do not want to find any fault with the President, nor with Secretary Windom, but we do believe the whole truth should be known about this financial question. Let us have full and free discussion of the question, and then money enough for the wants of trade.

The Stephenville (Tex.) Headlight says:

The County Alliances of the State so far as heard from have unanimously voted for consolidation. We hope it will continue that way all over the State.

The Jeffersonian (New Albany, Miss.) quotes at length from this column and concludes:

The above is fraternally commended as good advice to all our farmers. Look hereafter to your own interests and trust them not to another. Every Alliance man should take THE NATIONAL ECONOMIST, from which much of the above is taken.

The Democrat (McKinney, Tex.) says sententiously:

The welfare of the public is dependent upon the producers, and yet practically they are the most dependent class in existence.

The Anvil (Castroville Tex.) says:

The great trouble with the people is in the fact that they do not read and think enough about things that affect their every day interest. Every voter should study fully the questions of the day, for these questions affect not only his rights but his pocket. The solution of every public issue, in a greater or less degree, affects his property rights, making him a poorer or richer man.

The Alexandria (S. Dak.) Journal stumbles over one of those cross-wise arguments so common now-a-days:

The farmers are being tickled under the chin just now by the framers of the McKinley bill, by having all manner of farm product put on the list of highly protected articles. If this results according to the theory of Senator Cullom, i. e. in lessening the prices of the products protected, then the farmers are in a bad way.

The Congressional Record (Washington, D. C.) is sometimes the vehicle for good reform literature. Senator Call last week read a letter from a constituent, John W. Rice, Luraville, Fla., from which the following is extracted:

DEAR SIR: Allow me the liberty to write in reference to a matter of vital interest. I am a farmer, an Alliance man, in full sympathy with all that pertains to our interests, personal, sectional, and national. A mighty wave of unrest is sweeping over our beloved country. Days are coming in the near future that will try men's souls. Mighty wrongs may be done that necessary rights be established. Our nation is on the verge of a great revolution. The honest yeomanry, the nation's strength, demand their rights as against favored monopolists and combines, which are fostered and sustained by national legislation. We demand equal rights to all, special privileges to none. We in our Congressional district look to you to maintain our rights for us in the United States Senate. From some things you have already done we believe you will fight for our interest. We believe you will succeed. The farmers understand and want the sub-treasury bill, known as H. R. bill No. 7162, or Senate bill No. 2806, or something of the same nature and better, passed and made a law. They ask it as an im-

portant measure in behalf of their rights and justice. We are watching every move made by the members of Congress in regard to this measure and will hold each responsible. We will not be deceived about it. Our committee on legislation of the National Farmers Alliance and Industrial Union is located in the city of Washington, and C. W. Macune, of 511 Ninth-street, Northwest, is chairman of said committee. We earnestly desire that you confer with him in regard to the matter. He will give you the best evidence of the position the farmers are taking, and of their determination to have a change in national legislation and the administration of our Government. Like our ancestors of 1776, we will have matters righted, whatever may be the cost. We will be so proud to see our CALL one of the champions of the interests of the farmer as against those whom national legislation has helped to oppress us. I need not particularize your knowledge of the workings of Government, especially for the last twenty-five years, will, I think, satisfy you of the justness of our claims and demands. We want to do no wrong, but we will be righted. We need your wisdom, we are entitled to it, to assist us.

The Oxford (Ala.) Echo takes issue with a contemporary: The Echo would ask Mr Oates and the Age-Herald: 1. Where do the National Banks get their money? 2. If it comes from the Government vaults, does it come constitutionally or unconstitutionally? 3. Where do Government distillers get an advance on their product deposited in a U. S. bonded warehouse? 4. If it percolates through the Government vaults, is it a constitutional or unconstitutional percolation? 5. Should a scheme that proposes relief to the man of all men who needs relief be branded "unconstitutional" and "chimerical," when the Government throws its sheltering arms about the national "banker" and national "whisky distiller?"

The Walker County Messenger (Lafayette, Ga.) reports that the Alliances in that section are endeavoring to organize a "North West Georgia Alliance Fair Association," with prospects of success.

The Fredonia (Kan.) Democrat indorses this paper and announces an important truth:

THE NATIONAL ECONOMIST makes a commendable effort to arouse the feeling of the farmers against the proposed increase of army and navy appropriations. The fact is when in any country a class becomes abnormally rich and powerful, it always takes steps to increase its power to tyranize. Let the people rule; then there will be no more wars or rumors of wars.

The Progressive Farmer (Mt. Vernon, Ill.) is evidently non-partisan:

Watch the politicians that want to be "farmer" candidates. Nine times out of ten they have the biggest ax to grind in the business. Try to exercise every possible discretion; vote only for the best men, and thus secure more faithful service. When a man can say, "I would vote for a dog if he were the nominee of my party!" that man's vote is no longer of any benefit to his country. And yet we have heard men of apparent intelligence make that very remark.

The Union (Luray, Va.) says:

The sub-treasury plan takes well in our county. It is just what the people want. Let us have it.

The Texas Labor Journal (San Antonio) notes a strong point in the warehouse plan:

The Alliance has had the manhood and courage to demand that the people shall have an equal show with the national banks, which we think is one of the most manly things that a labor organization has ever done.

The Herald (Baltimore, Md.) is by no means a reform paper, and is quoted to show how the average Washington correspondent is now getting in his work. It is a good plan to avoid editorial responsibility by letting the correspondents advance the opinions:

It will be remembered that not long since Congressman Oates, of Alabama, refused to agree to support the sub-treasury scheme in an open letter to his people, and the Alliance very promptly chalked his back, although he is one of the ablest men on the Democrat side of the House.

and has an empty sleeve to attest his army record. The Georgia members, at least some of them, received notices to-day, and it is a question whether they will come out boldly like Oates or take the woods. What a calamity it would be to see men like Blount, Turner and Crisp snowed under because of their refusal to support this senseless scheme of which Zeb Vance and Pickler are the wet nurses.

The Signal (Manhattan, Kan.) says:

We repeat it, the chief cause of the depression in business of all kinds is the scarcity of money. If the people rightly understood the extent to which their representatives in Congress, through infamous class laws enacted, are to blame for the hard times, they would not so tamely submit to being robbed.

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

The power that capitalists have to contract and expand the money at will places the people at their mercy. Let no quack theory side-track us. The only permanent remedy is in governmental control of the volume of money. Let this agitation continue until that object is accomplished. Then let the Government issue to the people a sufficient amount of money to enable them to do a cash business. Then will capital and labor walk hand in hand and side by side, stepping to the music of the anvil, the whirr of spindles, the clang of the reaper, and the hum of many wheels.

The Girard (Kan.) Herald says:

The most injurious "trust" of the country is rapidly going to pieces. It is the trust of the people in the politicians.

The Herald is also responsible for this:

The advance of 40 per cent in the price of corn in a week is good evidence that the brokers, having got most of the crop, have given the law of supply a "sick leave" and put the law of "demand" on duty.

In Pennsylvania.

Col. H. C. Demning, of Harrisburg, the State organizer of Pennsylvania, has adopted a plan of organization which so simplifies the work as to promise speedy accomplishment. The first step was to organize Patriarch Alliance, No. 1, domiciled two miles out of Harrisburg. Then a meeting was arranged by which representative farmers from several counties were invited to meet President L. L. Polk at a session of Patriarch Alliance, which occurred April 26, in Harrisburg. President Polk detailed the history and objects of the order, and all who were present eligible became members, the initiation proceeding in due form at once. The result was that there are now organizers in several counties, the following gentlemen taking up the work to assist Col. Demning:

Hon. C. D. Eldred, of Lycoming County (the gentleman who prepared the first Pennsylvania State Grange constitution); Isaac Garretson, member of the State Board of Agriculture from Adams County; Rev. Wilfred M. Kellogg, of Lancaster County, well known there as a most effective talker on agricultural subjects; Col. James Young, of Middletown, member-at-large of the State Board of Agriculture; Henry C. Snavely, Esq., a prominent horticulturist of Lebanon County, and ex-County Deputy of the Patrons of Husbandry; Hiram Young, Esq., of York, vice-president of the Pennsylvania State Agricultural Society, and member of the National Wool Growers Association; Messrs. C. F. Kehres, Samuel Sheetz, Enoch Runkle, John Brinton, W. M. Kehres, E. O. Hasler, and other prominent farmers in Dauphin County.

The associate editor of THE ECONOMIST, who accompanied Colonel Polk, learned that the farmers of Pennsylvania contemplate an encampment at Mount Gretna, August 18 to 22, at which time it is probable the State Alliance will be organized. The encampment, by the way, is expected to exceed any previous effort in that line, and brethren from the other States will find it entertaining to participate. In turn, there may result a large attendance at the annual meeting of the national body at Jacksonville, Fla. The writer was well repaid for the time and trouble by the genial social intercourse with the honored president and the Pennsylvania brethren, besides the pleasure of a visit to the garden of America.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 9.

THE NATIONAL ECONOMIST

SATURDAY, MAY 17, 1890.

TABLE OF CONTENTS.

	Page.
ALABAMA	129
PRECEDENT IN PLENTY	130
A DEMURRER ENTERED	132
MR. SECRETARY WINDOM'S EXPLANATION	134
RAILWAYS, THEIR USES AND ABUSES (No. 54)	By James F. Hudson 137
COMPETITION AND FREEDOM	By Harry Hinton 138
APPLIED SCIENCE	By Dr. M. G. Elzey 140
THE SPECIAL CURSE OF LOUISIANA	136
THAT HUNDRED MILLION RESERVE	137
A FINANCIAL HISTORY (No. 13)	By N. A. Dunning 142
THE REFORM PRESS	143
IS THE SUB-TREASURY CONSTITUTIONAL	By J. M. Whitehead 135
THE SPEECH DOETH FIT THE PRESENT TIMES	140
INDIANA EFFECTS A STATE ORGANIZATION	144

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

Harry Tracy in Texas.

Harry Tracy is booked for the following places and dates:

Baird, Monday, May 19.
Abilene, Tuesday, May 20.
Ballinger, Thursday, May 22.
Coleman, Friday, May 23.
Brownwood, Saturday, May 24.
Goldthwaite, Monday, May 26.
Hamilton, Wednesday, May 28.
Lampasas, Friday, May 30.
Temple, Saturday, May 31.

Lecturer Ben Terrell's Appointments.

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

Dakota, May 23d to June 10th.
Wisconsin, June 12th to June 23d.
Missouri, June 26th to July 10th.
Kansas, July 12th to July 19th.
Indian Territory, July 22d to July 30th.

SOUTH DAKOTA.

Friday, May 23, Milbank, 1 p. m.
Saturday, May 24, Aberdeen, 1 p. m.
Monday, May 26, Britton, 1 p. m.
Wednesday, May 28, Webster, 1 p. m.
Thursday, May 29, Redfield, 1 p. m.
Friday, May 30, Clark, 11 a. m.
Saturday, May 31, Huron, 1 p. m.
Monday, June 2, Miller, 1 p. m.
Tuesday, June 3, Lake Preston, 7 p. m.
Wednesday, June 4, Madison, 2.30 p. m.
Thursday, June 5, Sioux Falls, 2 p. m.
Friday, June 6, Canton, 1 p. m.
Saturday, June 7, Parker, 1 p. m.
Monday, June 9, Mitchell, 11 a. m.
Tuesday, June 10, Yankton, 1 p. m.

INDIAN TERRITORY.

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

National Lecturer Ben Terrell has been compelled to annul his Illinois appointments, his presence being necessary in Washington last week. He will fill all of later date as published.

The following resolution has been furnished for publication in THE ECONOMIST from Arkansas:

Whereas from the best statistical information attainable, we are of opinion that the stock of coffee now on hand throughout the commercial centers of the civilized world is larger than ever before, while the price of the same to consumers is higher than for several years past,

Therefore, be it resolved by Big Rock F. A. & I. U., No. 448, that on and after June 1, 1890, we will not pay more than 20 cents per pound for the same for home or family consumption.

Unanimously endorsed by Crystal L. A., No. 1,584, K. of L., on Monday, April 28, 1890.



THE CANTON STEEL ROOFING CO., CANTON, OHIO.



ALLIANCE TRADE ESPECIALLY SOLICITED.

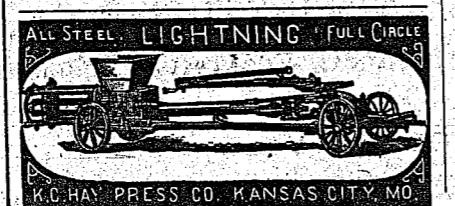


It has been in constant use for 22 years, with a record equaled by none. We give each purchaser a WARRANTY as follows: We warrant the Perkins Wind Mill, sold this day, to outlast and do better work than any other make and not blow down, unless the tower goes with it, and against any wind that does not disable buildings in the vicinity.

AGENTS WANTED. Send for Catalogue, Circular and Prices. Address,
PERKINS WIND MILL CO., 4 Water st., Mishawaka, Indiana.

GENERAL Worthy Foreman M. L. Wheat, K. of L., desires to make arrangements with Alliances and assemblies to lecture on the labor problem. His address is Colfax, Iowa. Mr. Wheat's standing as a labor leader is well recognized among the farmers in the West.

At Deepwater, Mo., the Farmers and Laborers Union and the Knights of Labor united on a city ticket and placed it in the field; the result was the election of their mayor, police judge, marshal, and three-fourths of the city council.



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

IMPORTED SHETLAND PONIES.
REGISTERED BERKSHIRE PIGS.

REGISTERED JERSEY CATTLE
Of best Butter Families.
Several handsome Jersey Bull Calves, thoroughbred and graded Jersey Heifers for sale.
Address

**ROBERT E. PARK,
MACON, GA.**

Mention ECONOMIST.

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., MAY 17, 1890.

NO. 9.

ALABAMA.

Alabama is the first State this year to hold conventions, and naturally all eyes are turned upon the fierce struggle that is waging there, bitter and unrelenting. Alabama is an agricultural State, with large and important manufacturing interests, but still properly classed an agricultural State. It always shows a large Democratic majority. Its farmers, like those of all the other States, have for a number of years realized that farming was not profitable; in fact, that it yielded a smaller return for the labor, capital, and ability employed than any other occupation, and when the great tidal wave swept the country, which aroused the farmer to say, "Come, brother farmers, let us reason together," which resulted in the organization of the farmers into an alliance, defensive and offensive, Alabama was the first, after Texas, to organize. The farmers did not organize for political purposes, or for spoils; they organized for "mental, moral, social, and financial improvement." They have now been organized several years, and have been diligently studying the situation. They have certainly discovered the cause of the depressed condition of agriculture, and find that a few modifications in the laws of the country are necessary to correct them. These modifications will in no way interfere with any useful business of the country; the only objection any one can have to admitting them is that such an admission shows that both the great political parties have not discharged the full measure of their responsibility to the people when in power. Thus it is that in demanding reform measures the Alliance has to contend against bitter opposition from both the Democratic and the Republican parties. It is hardest on the Republican party, because that party is now in power, and to admit the justice of the farmers' demands they seem to think would condemn their past and open a chance for the Democracy to succeed; but the opposition from the Democracy to the Alliance is just as bitter, because they claim that any reflection on the past record of the party will tend to keep it from again gaining the ascendancy. These are both wrong conceptions of the true situation. The old maxim that the most effective way to avoid errors is to be speedy in acknowledging them is just as true of governments as it is of men, and the party that will stand upon the broad platform of justice to the

people will soon earn the gratitude of the people. It is probably true that the great, honest, conservative rank and file of both parties would be willing to grant any just measure in favor of the farmers, but it is also true that the party management in both parties has been largely delegated to rings and cliques that consider party supremacy superior to the interests of any or all classes, and will resort to fair means or foul to secure it. This is a deplorable admission to make in a free government, but it is true.

Alabama, at this time, offers a striking illustration of the indomitable perseverance and the corrupt methods of the ringsters. The white farmers of Alabama are almost all Democrats, and always have been. They never have allowed any partisan politics within their Alliance organization. They were with one accord bitterly opposed to any third party movement to obtain the legislation they so much needed. They found that the measures they needed as farmers were not in the Democratic platform of their State, and like the good, honest Democrats they were, they adopted resolutions asking that such principles be put in the platform, and resolved to try to elect Democrats who would support such measures. This procedure, properly presented to the Democratic party of that State, would no doubt have been satisfactory, but it did not suit the bosses and ringsters who had always ruled the farmer in his vote, and they proceeded to lie about and misrepresent the farmers' movement, and nothing was too mean for them or their corrupt and hired press to say if it tended to divide the farmers or bring their efforts into disgrace. But for once the sturdy, honest farmers were too sharp to be fooled; they still blindly stuck to their party and went to the primaries strong enough to be in a majority and demand that the platform contain the demands they so much needed, and that men pledged to carry out those demands be the nominees of the old party. The result was that the ringsters, in many cases, when they found themselves outnumbered by honest Democrats in their own Democratic convention, withdrew and called it a farmers' convention, and set their ring convention for some future day, and claimed that the farmers were responsible for a split in the time honored Democratic party. The fact is, they bolted, and then claimed that the majority was not Democrats simply because

they were honest farmers. This indicates that either the ringsters will be strong enough to read all honest farmers out of the Democratic party in that State, or the farmers will be strong enough to mash the ringsters. The result is waited for with deep interest. The farmers of Alabama are honest, honorable and determined, and are probably thoroughly aroused by the abuse heaped upon them. Let the Democratic party, or any other party, consider well before it attempts to read such a worthy element out of the party for simply demanding a just recognition of their rights.

PRECEDENT IN PLENTY.

In proposing the sub-treasury plan it was expected that the conservative sense of the people, corresponding to *vis inertiae* in matter, would have to be overcome. An appeal to reason purely was to be relied on, and the value of the precedents at command would be sufficient to remove positive prejudice and arouse a disposition to fair investigation. When it was learned that the revolutionary fathers were familiar with and availed themselves of a system incorporating all the essential features of the sub-treasury plan, there could be no longer accusation of wild theorizing or paternalism. It is now clearly in the line of research to discover to what extent, and for what purpose the fathers practiced issuing money to the people, and through what modifications the system ran. Unfortunately historians dwell more upon those incidents which are remarkable, and therefore deviations from ordinary life, than upon those which give clear conceptions of the habits and usages of the times described. It is outside ordinary histories that the information must be sought.

It is evident that nearly or quite all the colonies issued paper money, and it is well known that the Continental Congress did not hesitate to proclaim currency when need for it arose. The proprietary province of North Carolina, in 1713, issued bills of credit, and two years later legal tenders. This last was in year 1722 made redeemable, but the notes were from the first payable in any of the rated commodities; that is, as the writer understands it, the notes were secured by warehoused products, just as contemplated in the sub-treasury plan. Mr. William H. S. Bur-gwin, of Henderson, N.C., in the *Progressive Farmer*, gives the following details:

The sheriffs were allowed in settling their accounts with the treasurer to make their payments in these bills, or in rated commodities of the government, deliverable at certain landing places on the navigable streams in their respective precincts. But it was the law of 1727 that has been pronounced a "wise and good one, and quite adequate to furnish the people with a safe circulating medium that would in general vary but little from its par value." The basis of this act was the security by mortgage of improved unincumbered real estate for the repayment to the government of a loan upon it. In fact the law established a loan office, the government being the lender and the owner of the land the

borrower. Among other provisions of the act not pertinent to this inquiry it was provided that the respective precinct treasurer should issue the bills to such persons as might desire them and in such sums as they might wish to an amount equal to one-half of the value of the land. The loan was to be for fifteen years, the interest 6 1/4 per cent, payable annually, and one-fifteenth of the principal. In case of failure to pay this interest for three years the treasurer was authorized to make immediate distress and sell first the personal effects of the defaulter, and if these were not sufficient to satisfy what was due, then the land.

It is said by a writer in the *News and Observer* (Raleigh, N. C.), already quoted in *THE ECONOMIST*:

Parliament would not allow the province to issue enough paper currency to answer the needs of the people, and to relieve the stringency of the money market, the legislature established Government warehouses, and bonded inspectors were appointed to inspect certain farm products and naval stores intended for shipment. After inspection and branding, certificates were given of their deposit in the warehouse, and for certain of the commodities so stored, the inspector gave "his notes" according to a fixed valuation of the articles, which notes were legal-tender for private and public dues. And thus the people were to some extent supplied with a local currency. These warehouses were numerous in the Albemarle section and Eastern part of the province, and were located at the landings where such commodities could be conveniently held for shipment. The only one in the West was at Campbellton, now Fayetteville, and in the absence of such facilities for the Western part of the province was one of the grievances that led to the disaffected condition of the Western folks which eventually culminated in the Regulation movement. Without doubt the leading element in the whole affair was the scarcity of currency, and while the situation in the Eastern counties was relieved by the issue of inspector's notes on deposits in warehouses, the Western counties suffered greatly for want of a circulating medium.

This is a clear statement of the dissatisfaction among the Mecklenburg "traitors," and in this light the first declaration of independence stands in relation to its cause. The products must be delivered at points of shipment, and as there were no shipping points or navigable streams in that part of North Carolina the discrimination was ruinous.

After North Carolina, the colony of Pennsylvania, and several others, adopted the system, and Gov. Pownall, who presided over Massachusetts and New Jersey, recommended that the system receive the sanction of the crown and be instituted in all the colonies. The first economic paper by Ben Franklin was "A modest inquiry into the nature and necessity for a paper currency" (1729), and he there first announced the doctrine which was adopted as the fundamental maxim of Adam Smith, that "labor is the measure of value." The first introduction of loans to the people in Pennsylvania seems to have been in 1723, when £15,000 was issued for the purpose. A most interesting discussion of the subject by Franklin shows that the same classes opposed the measure that now object to the sub-treasury plan—those who are beneficiaries of the power of money to oppress. Franklin, by the way, afterward printed the money which was issued, which he naively considers a reward contingent upon his ability to write in advocacy of the system.

The plan adopted in Pennsylvania was to supply the demand for money as it arose, by providing for

issue of specific amounts through act of assembly, thereby giving flexibility to the total volume and easing the demand at all times. The interest upon the issue went to public uses, thereby replacing taxes to that degree. The following from Pownall's Administration of the Colonies, 4th edition, pp. 234-236, is pertinent:

As the paper money act made and passed in Pennsylvania in 1739 was the completest of the kind, containing all the improvements which experience had from time to time suggested, in the execution of preceding acts, an account of that act will best explain and recommend the measure contained in the following proposal:

"The sum of the notes by that act directed to be printed was eighty thousand pounds proclamation money. This money was to be emitted to the several borrowers from a loan office established for that purpose. Five persons were nominated trustees of the loan office, under whose care and direction the bills or notes were to be printed or emitted. To suit the bills for a common currency they were of small and various denominations, from twenty shillings downwards to one shilling. Various precautions were taken to prevent counterfeits by peculiarities in the paper, character, manner of printing, signing, numbering, etc. The trustees took an oath and gave security for the due and faithful execution of their office. They were to lend out the bills on real security of at least double the value for a term of sixteen years, to be paid in yearly quotas or installments with interest. Thus one sixteenth part of the principal was yearly paid back into the office, which made the payment easy to the borrower. The interest was applied to public services, the principal, during the first ten years, let out again to fresh borrowers. The new borrowers, from year to year, were to have the money only for the remaining part of the term of sixteen years, repaying by fewer and, of course, proportionately larger installments, and during the last six years of the sixteen the sums paid in were not to be remitted, but the notes burned and destroyed; so that at the end of the sixteen years the whole might be called in and burnt and the accounts completely settled. The trustees were taken from all the different counties of the province, their residence in different parts giving them better opportunities of being acquainted with the value and circumstances of estates offered in mortgage. They were to continue but four years in office, were to account annually to committees of the assembly, and at the expiration of that time they were to deliver up all moneys and securities in their hands to their successors before their bonds and securities could be discharged. Lest a few wealthy persons should engross the money, which was intended for more general benefit, no one person, whatever security he might offer, could borrow more than one hundred pounds. Thus numbers of poor new settlers were accommodated with money to carry on their settlements, to be repaid in easy portions yearly, as the year's produce of their lands should enable them."

From this it will be seen that the plan of using land was finally fallen upon, perhaps out of deference to the prevailing interest. Comment is made upon this system by the Scotch historian, David Hume, in a letter to the French economist, Andre Morellet, in the last year of Hume's life, 1776, brought to notice in a late issue of the *Advocate*, of Topeka, Kansas:

In our colony of Pennsylvania the land itself, which is the chief commodity, is coined and passes into circulation. A planter immediately on purchasing land can go to a public office and receive notes to the amount of half the value of his land, which he employs in all payments, and they circulate through the colony by convention. To prevent the public being overwhelmed by this representative money there are two means employed: First, the notes issued to any one planter must not exceed a certain amount, whatever may be the value of the land; secondly, every planter is obliged to pay back into the public office every year one-tenth of his notes. The whole is, of course, annihilated in ten years, after which it is again allowed him to take out new notes to half the value of his land. This was the monetary system under which the American colonists prospered to such an

extent that Edmund Burke said of them: "Nothing in the history of the world is like their progress." It was a wise and beneficent system, and its effects were most conducive to the happiness of the people. Take the case of a family, industrious and enterprising, driven by persecution or misfortune to seek a refuge in the wilds of the New World. With their scanty means they purchase a tract of land. Many years of hard labor, privation, and anxiety would have been necessary to bring that family into a state of decent competency had they been required to purchase gold and silver by labor and by the produce of labor before they could effect other improvements on their property. But half the value of his land was advanced to the real head of the family in notes, which circulated as money. With these notes he could hire labor and purchase implements of husbandry and cattle; and thus, where without these notes one acre could not be cleared, cultivated, and stocked in a year, ten would, by the assistance of the paper money advanced, be reclaimed from the forest and rendered productive. Thus hope entered the dwelling of the poor emigrant. Ten years found him with the whole of his debt to the government discharged, the proprietor of a happy home; and the kind hand of a paternal government was stretched out still to advance to him again one-half of the increased value of his land, and thus enable him to clear more of the forest and to settle his children in new homes. Such was the system by which a people called by the British "a set of miserable outcasts" were converted in a short space of time into happy, contented, and prosperous colonists. A prosperous people are generally well satisfied with the form of government under which they live. When, in 1776, Benjamin Franklin was examined before a committee of the whole house of commons, he was asked, "what was the temper of America toward Great Britain before 1773?" he answered: "The best in the world. They submitted willingly to the government of the crown, and paid in all their courts obedience to acts of parliament. Numerous as the people are in the several old provinces, they cost you nothing in forts, citadels, garrisons or armies to keep them in subjection. They were governed by this country at the expense only of a little pen, ink, and paper. They were led by a thread. They had not only a regard but an affection for Great Britain, for its laws, its customs, its manners, and even a fondness for its fashions, that greatly increased its commerce. Natives of Britain were always treated with particular regard; and to be an Old England man was of itself a character of some respect and gave a kind of rank among us."

In 1773 came the adverse action of the British government, and Franklin's mission to London to secure redress. It was upon despairing of success that he sent back to America the celebrated advice to rear boy children. Hume says in the letter above quoted:

The British government took away from America its representative money, commanded that no more paper bills of credit should be issued, that they should cease to be a legal tender, and collected the tax in silver. This was in 1773. Now mark the consequences. This contraction of the circulating medium paralyzed all the industrial energies of the people. Ruin seized upon these once flourishing colonies; the most severe distress was brought home to every interest and every family; discontent was urged on to desperation till at last "human nature arose and asserted its rights." In 1775, the American Congress first met in Philadelphia; in 1776, America became an independent state.

In continuation it may be pertinent to call attention to Franklin's description of Philadelphia when he first saw it, before the province had secured industrial freedom by controlling its own money. In his autobiography he says that when he first walked the streets, eating his roll of bread, there were old houses uninhabited, and that he saw many houses on Walnut, between Second and Front, and on Chestnut, with bills on their doors, "To be let," which made him think that the inhabitants were deserting the city. In Abbott's life of Franklin occurs a description of

Philadelphia after the system had been long enough in operation to give relief:

The prosperity of Philadelphia, indeed of Pennsylvania, was remarkable. Provisions and the most delicious fruits were in great abundance. Even the pigs were fattened upon the most luscious peaches. Each family in the city kept its cow, which grazed upon the common lands on the outskirts of the town. The Philadelphia of that period was a green village, beautifully shaded by trees, and presenting to every visitor an aspect of rare attractions. Professor Peter Kalm, who published an exceedingly interesting account of his travels in North America between the years 1748 and 1751, writes: "There were fine orchards all about the city. The country people in Sweden and Finland guard their turnips more carefully than the people here do the most exquisite fruits. A Philadelphian has so much liberty and abundance that he lives in his own house like a king."

As a companion piece the following description is by Franklin after a tour in Great Britain in 1772:

Had I never been in the American colonies, but were to form my judgment of civil society by what I have lately seen, I should never advise a nation of savages to admit of civilization. For, I assure you, that in the possession and enjoyment of the various comforts of life, compared with these people, every Indian is a gentleman; and the effect of this kind of civil society seems to be the depressing multitudes below the savage state that a few may be raised above it.

It seems to have been a theory current among these old philosophers that a depreciated currency was not an unmixed evil, as it would not be exported, a reasoning which perhaps justified great rulers in debasing their coin in times of war and famine. A Philadelphia lawyer, Tench Francis, about 1757, in a well-considered paper on money, states an interesting fact:

The paper currency of New England, by a great excess in the quantity, is sunk to a shameful degree. From hence we hear of much fraud and dishonesty among them; but it was never objected that it injured them in trade. In truth, if it had, as they principally subsist by commerce, they must have been ruined and undone long ago. The currencies of North and South Carolina are in the same condition, but still their trades go on as usual, without the least alteration.

MR. PINSON, ALA., April 17, 1890.

DEAR DR. MACUNE: I send this note merely as a matter of approval of your views and commendatory as well of the way in which you conduct our National organ. Suppose a suggestion. "A special tax of five or ten cents ought to be imposed on the membership generally, to defray expenses of publication of all such matter as the country needs." There is nothing that tells on the public mind like tracts, pamphlets, etc. Very respectfully, J. F. PATTON.

The above is one of many letters received upon the same subject. There seems to be a growing demand for such literature, and as soon as it is a little more clearly defined THE ECONOMIST will undertake in some way to furnish the necessary supplies. It might be well for all those who have given the matter any investigation to write up their conclusions.

The Headlight (Wheatland, Mo.) gives a note of warning: In localities where Republicans predominate tricksters and ringsters, who exist by pumping the public pap, brand it as a Democratic affair, and vice versa in Democratic districts. There is just one way to meet this class of bummers. Pay no attention to them. Live close to your constitution and remember the solemn oath you took.

A DEMURRER ENTERED.

The Secretary of the Treasury on Mr. Dunning's Estimate.

SIR: Acknowledging the receipt of your communication of the 23d instant inclosing a copy of THE NATIONAL ECONOMIST, bearing date of April 26, and requesting my views upon an article therein entitled "The Volume of Currency," I would say that the actual amount of money in circulation in the United States, according to the books of the Treasury Department, was, on the first of April, 1890, as follows:

	In circulation April 1, 1890.
Gold coin.....	\$373,624,488
Standard silver dollars.....	57,989,656
Subsidiary silver.....	53,984,972
Gold certificates.....	134,938,079
Silver certificates.....	290,605,562
United States notes.....	339,761,359
National bank notes.....	186,589,936
Total.....	1,437,494,052

There is no duplication in any of these figures, nor do they embrace any money in the Treasury of the United States. The total amount of gold coin and bullion, of silver coin and bullion, of gold and silver certificates, and of United States and national bank notes in the Treasury have been deducted, and are not included in the amount of circulation presented above. The gold coin in circulation represents the difference between the amount estimated from official tables to have been in the country and the total amount of gold in the Treasury of the United States. What portion of the gold coin in circulation actually performs the duty of a circulating medium and what portion is held by banks and hoarded by individuals no one can say. The only banks required by law to render reports to the Department are the national banks, which held in their cash about \$71,000,000 in gold. This is just as much in circulation as any other cash item reported by a bank. The number of silver dollars in circulation represents the difference between the number coined since March 1, 1878, and the number held in the Treasury of the United States April 1, 1890. The amount of subsidiary silver coin represents the excess of the coinage since 1873 over the amount in the Treasury of the United States. The gold and silver certificates in circulation represent the actual amount of these notes issued, less the amount in the Treasury of the United States. The amount of the United States notes in circulation represents the amount issued, less the amount in the Treasury of the United States. The amount of national bank notes in circulation represents the amount outstanding as reported by the Comptroller of the Currency, less the amount in the Treasury of the United States.

Estimating the population of the United States at the present time to be 64,000,000 people, the amount of metallic and paper money in the United States, not including any portion of the amount held by the Treasury of the United States, was \$22,36 per capita.

The following table shows by way of comparison the estimated amount of gold, silver, and paper money in circulation in the United States and the principal countries in Europe:

Statement of the estimated amount of gold, silver, and notes in circulation in the United Kingdom, France, Germany, and the United States.

Countries	Population	Gold.	Silver.	Notes outstanding.	Total metallic and paper.
France.....	38,250,000	\$900,000,000	\$700,000,000	\$594,000,000	\$2,194,000,000
United Kingdom.....	38,165,000	550,000,000	200,000,000	190,000,000	\$840,000,000
Germany.....	48,000,000	500,000,000	215,000,000	275,000,000	\$900,000,000
United States.....	64,000,000	375,607,112	118,298,802	938,728,545	1,430,634,459

Per capita.

Countries	Gold.	Silver.	Paper.	Total.
France.....	\$23.53	\$18.30	\$15.53	\$57.36
United Kingdom.....	14.41	2.62	4.98	22.01
Germany.....	10.42	4.48	5.73	20.63
United States.....	5.87	1.82	14.67	22.36

In compiling this table the metallic reserves of the Bank of England, amounting to about \$100,000,000; of the Bank of France, amounting to \$500,000,000; and of the Imperial Bank of Germany, amounting to about \$200,000,000, have been in-

cluded in the amount of gold and silver in circulation, and the total notes issued by these banks in the amount of paper money in circulation, whereas in the United States the entire amount of gold, silver, and paper money in the Treasury have been deducted.

The metallic reserves held by European banks against which notes are issued, are a duplication of use as both the notes issued and the specie held for their redemption do not perform the duty of circulating media at the same time.

From this table it will be seen that the amount of money in circulation in the United States, that is after deducting all the gold, silver, and paper money in the Treasury, is larger per capita than in any of the leading countries of Europe except France.

In regard to the money supposed to be hoarded by the United States Treasury, I may say that aside from the fund deposited in the Treasury by national banks for the redemption of their notes which have been retired, which the Government holds as a trustee, and the balances on deposit in the Treasury by disbursing officers, the only reserve which is kept by the Treasury is \$100,000,000 in gold for the redemption of legal-tender notes, as provided by the acts of 1875 and 1882. There is no disposition on the part of the administration of the Treasury to hoard money, and the so-called surplus, which is the excess of the receipts over the expenditures, can be used under present law only in the redemption of the bonded debt of the United States, which is being done as rapidly as the bonds can be judiciously purchased. The surplus on the first instant amounted to only \$35,930,622.91 (exclusive of fractional silver coin), of which \$31,648,898.70 was on deposit in national banks performing the duty of a circulating medium. It is the policy and purpose of the department to withdraw a large portion of this deposit and invest it in United States bonds as rapidly as it can be done without danger of decreasing the actual circulation.

The total amount of money in the Treasury of the United States on April 1, 1890, was \$666,643,261, composed as follows:

	In Treasury April 1, 1890.
Gold coin.....	\$253,782,305
Standard silver dollars.....	302,036,610
Subsidiary silver.....	22,814,565
United States notes.....	6,919,657
National bank notes.....	3,937,196
	\$589,490,333
Gold bullion.....	66,443,489
Silver bullion.....	4,634,901
Trade dollars as bullion.....	6,074,538
Total.....	\$666,643,261

Of this amount \$134,938,078 in gold coin was deposited for the redemption of gold certificates, and \$290,605,562 in silver dollars for the redemption of silver certificates. Neither of these amounts belongs to the Government, but both are held simply in trust for the redemption of gold and silver certificates outstanding; \$67,891,267 were held as a fund for the redemption of national bank notes, consisting of money paid into the Treasury by national banks for that purpose; while \$38,972,181 represented the money to the credit of disbursing officers, and kept in the Treasury merely as a matter of convenience and which they check against; \$6,074,537 consisted of silver bullion from melted trade dollars; \$4,634,901 silver bullion at the mints purchased for the coinage of the silver dollar in process of coinage; \$22,814,564 of fractional silver coin largely mutilated and abraded for which there is no current demand; and \$100,000,000 was held as a reserve for the redemption of legal-tender notes as required by law; a total of \$665,831,031.

From this you will see that there is no hoarding of money by the Treasury.

The article to which you invite my attention makes the following deductions from the amount of money officially reported as in circulation, viz:

Less amount held in Treasury	\$593,451,366.80
Less amount held as bank reserves.....	545,965,611.00
Less amount loss on paper currency.....	52,000,000.00
Less amount deducted on coin.....	167,678,460.00

The item first named (\$593,451,366.80) is not included in the total circulation above stated, and hence should not be deducted.

With reference to the second item (\$545,965,611) which it is claimed is held as "bank reserves and hence should be de-

ducted from the aggregate amount in circulation," I have to say that the total amount of money actually held by the national banks February 28, 1890, was as follows:

Specie	\$181,546,137
Legal-tender notes.....	86,551,602
Certificates of deposit for legal-tender	8,630,000
	\$276,927,739

The law with respect to this lawful money reserve (Sec. 5191) requires that all national banks outside of the nineteen "reserve cities" (numbering 3076 banks on February 28, 1890) shall at all times have on hand lawful money equal to fifteen per cent of their deposits, but of this reserve fund they need keep only 40 per cent in bank, being permitted to keep the remaining 60 per cent in national banks located in the nineteen reserve cities mentioned (see Sec. 5192). Again, the banks in sixteen of these cities are required to maintain a reserve equal to 25 per cent of their deposits, but are compelled to keep only one-half of the amount on hand, being allowed to deposit the other half with national banks in the three other reserve cities, known as "central" reserve cities, viz: New York, Chicago, and St. Louis. (See Sec. 5195). The national banks in the three "central" reserve cities are required to keep 25 per cent of their deposits on hand and to keep all of this in bank, not being allowed to keep any portion of it on deposit with other banks. (See Sec. 5191, and act March 29, 1886).

On February 28, 1890, there were in these central reserve cities 73 national banks, and in the remaining 16 reserve cities 234 banks, making with the 3076 national banks outside of the reserve cities 3,383 national banks, or the total number reporting at this date.

The lawful money actually kept in bank under these requirements of law, is there for the purpose of paying the checks of depositors who loan their money to the banks either without interest, or at a low rate of interest, with the understanding that it is to be returned to them on demand without notice whenever they desire to withdraw it from bank; and unless depositors understood that the law required the banks to keep a certain amount on hand with which to return them their deposits whenever they wanted them, depositors would not place their money with the banks for safe-keeping, but would to a large extent hoard it, and so to a great extent withdraw it permanently from circulation. This requirement is entirely in the interest of the depositors and against the interests of the banks, which otherwise might lend out the entire amount of their deposits.

As it is the law allows 3,076 national banks to loan out 85 per cent of their entire deposits, requiring them to keep only 6 per cent of these deposits in bank, while the remaining 9 per cent may be loaned to other national banks in reserve cities, who in turn may loan out 75 per cent of such loans.

Again the 234 banks in sixteen reserve cities are permitted to loan out 75 per cent of their entire deposits, being required to keep only one-eighth of these in bank, while the remaining one-eighth may be deposited with national banks in the three central reserve cities, which in turn may loan out three-fourths of such amount.

While a portion of this fund, held in trust for the depositors to whom it belongs, is necessarily kept out of circulation, a large portion of it is constantly in circulation, as it is the fund created by daily deposits of lawful money received from the customers of the banks, and that from which they make daily payments of lawful money to their customers.

In regard to the further alleged contraction of the currency by the reserves held by State banks, private banks, and trust companies, I would say that I do not know of any law requiring private banks to keep any reserve.

Possibly State laws require incorporated banks to keep a certain percentage of reserves, but such requirements would only apply to incorporated banks.

If as a matter of good banking a proper reserve is kept for the safety of depositors, I should not consider such an amount as withdrawn from circulation. Besides, this is a matter entirely in the hands of the public and entirely under their control. When there is a pressing demand for the circulating medium they are not

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

With reference to the fourth item (\$167,678,480), of which it is claimed that \$67,670,460 of gold and silver are known to have gone out of the country last year, I have to say that the net loss of gold coin last year was \$2,740,320, and that all the other exportations of gold and silver, so far as can be ascertained, were in bullion or fine bars, which do not affect the circulation. The estimate of \$100,000,000 more of coin exported seems to be without any substantial foundation. How much has been carried away in the pockets of travelers, and how much returned in the same way, we have no means of knowing. The amount thus carried away is evidently small, for the reason that travelers always purchase letters of credit for the bulk of their expenses abroad, and usually supply themselves with limited amounts of foreign coin for expenses on steamers.

The concluding paragraph of the article enumerates ten kinds of currency said to be in use June 30, 1866. The total is stated to be \$1,863,409,216, which, divided among 35,819,251 inhabitants, would give \$52.01 per capita. Unfortunately, no less than six out of the ten items enumerated were interest-bearing obligations of the Government, which were not at that time, and have not since been, in general use as money. The aggregate amount of these obligations which should be deducted from the total of so-called currency above given is \$1,130,154,477, leaving only \$733,254,739 as the amount of circulation, and even this included cash held in the Treasury, the amount being \$81,281,650.55, exclusive of gold coin. If this amount be deducted, as it should be, the actual circulation could be shown by THE ECONOMIST's own figures to have been, on June 30, 1866, little more than \$650,000,000. This amount divided among 35,819,251 inhabitants would give only \$18.15 per capita instead of \$52.01 as stated.

I have already recommended in my annual report an increase of currency amounting to about \$50,000,000 per annum. It should be evident, therefore, that this letter is not intended to express any opinion as to the sufficiency of our currency, but only to correct certain statements in said article as to its quantity.

Respectfully yours, WM. WINDOM, Secretary.

MR. SECRETARY WINDOM'S EXPLANATION.

BY N. A. DUNNING.

The reply of Secretary Windom to my article of April 26 is a very great disappointment. Instead of making a statement showing the amount of currency and where located, so that plain people could understand, he has repeated the statement that goes from his department each month, and insists that it is correct. The people will hardly consider Mr. Windom's answer sufficient, and will continue in the belief that a fair, unequivocal showing of the condition of the Treasury can not be made. If such a statement be possible, it is unfortunate that Mr. Windom did not improve the opportunity by giving it to the public. The time has passed for the people to be satisfied with mere assertion; they read and think.

I undertook to point out the true situation by a plain, simple method which eliminated from the calculation all this *hocus pocus*, high sounding phrases and unintelligible additions, subtractions and balances that are so very bewildering and misleading. I ascertained the estimated amount of outstanding currency, gold, silver and paper, and then endeavored

to locate it. This, I assume, is the only legitimate method of arriving at a reasonable conclusion. In giving the amount of currency in circulation and in the Treasury, Mr. Windom includes not only the gold and silver certificates, but the gold and silver upon which these certificates are based. Such a position can not be sustained by any process of reasoning. The United States Treasurer recognized this fact, and in his report of 1889, page 11, in speaking of these monthly statements, says:

From the face of the preceding statements it would appear that there was an increase both in the aggregate monetary supply and in the amount held by the people. The certificates of deposit are, however, merely representative of moneys in the Treasury, and to count them with the coin and notes to which they give title would be a duplication. If these be eliminated, and the actual moneys disposed according to ownership, the result will be as shown below:

	June 30, 1889. Outstanding. In Treasury. In circulation.
Gold.....	680,063,505 00
Silver.....	420,548,929 00
Notes.....	565,482,986 47
Total.....	1,666,095,420 47

278,543,585 36 1,387,551,835 11

I use this annual report as it furnishes complete data by the different departments. On page 128 of the report of the Director of the Mint is found a detailed statement of the estimate of gold and silver coin and bullion outstanding as follows:

	GOLD.
In U. S. Treasury.....	186,451,708
" national banks.....	152,169,400
" other banks reported.....	46,911,653
" private banks and among the people.....	294,530,744
Total	680,063,505

	SILVER.
In U. S. Treasury.....	57,458,901
" national banks.....	23,734,469
" other banks reported.....	2,118,516
" private banks and among the people.....	337,237,043
Total	420,548,929

Treasurer's report, page 10, furnishes this statement of paper currency:

Greenbacks outstanding.....	346,681,016 00
National bank notes outstanding.....	211,378,963 00
Fractional currency outstanding.....	6,916,690 47
Compound notes outstanding.....	185,750 00
One and two year notes outstanding.....	62,955 00
Old demand notes outstanding.....	56,442 00
State bank notes outstanding.....	201,170 00
Total.....	\$565,482,986 47

This gives a total outstanding currency and bullion of \$1,666,095,420.47.

It also furnishes some idea of where it is. Mr. Windom claims there is—

In circulation among the people.....	\$1,437,494,052 00
In United States Treasury.....	666,643,261 00
	\$2,104,137,313 00

This makes a difference of \$438,041,882 between the statements in the United States Treasurer's report of June 30, 1889, and Mr. Windom's report of April 1, 1890. This discrepancy is easily explained, because the Treasurer made no duplication of the gold and silver certificates in his estimate of aggregate amount outstanding, which the Secretary did in his statement of the general stock coined or issued.

Is the Sub-Treasury Plan Constitutional?

BY J. M. WHITEHEAD.

No patriotic citizen would intentionally favor legislation that would be in violation of the United States Constitution, at least he ought not. The sub-treasury plan has been proposed, and is being discussed, and first among those who oppose it, stands Colonel Oates, Congressman from Alabama, to deny the constitutionality of such a measure. I am willing to give Colonel Oates credit for honesty, and for possessing the "courage of his convictions"—a trait too rare in these latter days among public men. I have had personal acquaintance with him for thirty years, in peace and in war, and have always found him ready to encounter danger in the defense of the principles he believed to be right. Hence I shall not impugn his motive nor cast discredit on the degree of moral courage requisite in a member of Congress representing an agricultural people to antagonize legislation that, in my judgment, would redound greatly to their happiness and prosperity. Being myself a lawyer of over thirty years' standing, I desire to consider, in a calm and lawyer-like manner, the constitutional question sprung by my esteemed friend, Colonel Oates. As lawyers, he and I are about the same in length of experience, both having been admitted to the bar at the same term of the court in Alabama, by the same judge, in 1858; however I feel at liberty to take greater privileges with him than I otherwise would, since he has attained to no small distinction in public life, while I am yet an humble disciple of Blackston, Kent, and Story.

The reason urged for the unconstitutionality of the sub-treasury plan is that there is "no authority in the Constitution for the Government to loan money." Grant for the sake of the argument that the sub-treasury plan is a plan by which the Government is to lend money to farmers on their deposits of produce. I do not admit this in fact, for I think the editor of THE ECONOMIST meets this phase of the question most successfully. But grant that it is—is there any power in the Constitution for the Government to give money? Such legislation is very common. On occasions of great disaster by flood, or drouth, or storm in some particular locality, Congress rarely even fails to come to the front with an appropriation for the sufferers. Congress made large appropriations for the world's fair held at New Orleans in 1884-5, and in Philadelphia in 1876. By what authority was this done? These were gifts; but is there a provision in the Constitution authorizing a gift that will not at the same time, and for the same purpose, authorize a loan?

Section 8 of the Constitution declares "that Congress shall have power: 1. To lay and collect taxes, duties, imports and excises; to pay the debts and provide for the common defense and general welfare of the United States." It is under the "general welfare" clause of this section that authority is claimed for all of those acts. Is it for the general welfare, is the paramount question in considering the constitutionality of an act of Congress making appropriations for any of these things. Of this Congress is the sole judge. I agree that some of its appropriations are difficult to reconcile with the general welfare. Pensions or bounties would be hard to discern as contributing to the welfare of all the people, or of the

people of all the States. But Congress in the nature of things is the judge in its legislative conscience. There are no tests of the "general welfare" by which this judgment of Congress could be reversed on an appeal to the courts. It is a matter of judgment not susceptible of proof by the legal rules of evidence.

Let us run the analogy between the United States national banking system and the proposed sub-treasury plan suggested by the Farmers Alliance. We will start with the deposit of bonds in the United States Treasury. In what does this differ from the deposit by the farmer of his cotton or wheat or tobacco in the United States warehouse? Does the fact that one is a paper-interest-bearing bond make it more acceptable under the Constitution than substantial things of intrinsic value, like the articles named above, and if so, why? In the one case the Government does lend its money to the broker to the amount of 90 per cent on the face value of the bond at 1 per cent interest, and pays interest in gold on the deposit. In the other the Government gives its receipt for 80 per cent of the value of the article deposited, which receipt is to circulate as a representative of value, and in the hands of the last holder may be surrendered and the deposited article withdrawn from the warehouse and sold to the consumer or the manufacturer on the payment of 1 per cent, not as interest, but to defray the expense incident to the deposit.

Now which looks most like a loan by the Government, the United States national banking system or the Alliance sub-treasury plan? Col. Oates voted for the act extending the charter of the national banks. By what sort of logic or reason he can defend the one as constitutional and assert the other as unconstitutional, I am unable to comprehend. I deny that the national banking system was or is calculated to promote the "general welfare," but of this Congress was the judge, and it decided otherwise. I hold that the Government is able to manage our financial affairs better for the people than any set of men bent on amassing fortunes for themselves. The Government can and ought to issue and regulate the amount of gold and silver and paper money in circulation, and not leave it in the power of a few by contracting the circulation to double the value of what they have.

The National Alliance (Houston, Tex.) organ of the Colored Alliance, prints a communication from South Carolina describing the good work of the colored order:

I know that I don't overstate the facts when I declare that the Alliance has been more to these people than a grand second emancipation. Of course much remains yet to be done. We must stick together, we must pay our dues and fees. We have now in this State nearly one thousand organized Alliances, and still the cause rolls forward. I am satisfied that the Alliance is the harbinger of Christ's grand coming.

The Early County News (Blakely, Ga.) is not frightened at the prospect of the Alliance going into politics:

The professional politicians are fearful lest the Alliance should go into politics and disrupt the Democratic party in Georgia. The farmers compose the majority of the Democratic party in Georgia, and if they vote contrary to the wishes of the erstwhile bosses it will disrupt the party, eh? Well, who is going to do the kicking when the Democratic farmers get in their work? The pot-house politician as a matter of course.

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

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

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

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

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

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

SECRETARY WINDOM's reply to the article printed in THE NATIONAL ECONOMIST of April 26, will be found in full elsewhere in this issue, with a partial comment thereon. These comments will be continued each week until the letter is fully analyzed. Readers of THE ECONOMIST who preserve these numbers will possess some valuable statistics.

A SYNOPSIS of the speeches of the representatives of the order before the Ways and Means Committee of the House, supporting the sub-treasury bill, Tuesday, May 13, may be expected in THE ECONOMIST next week.

THE SPECIAL CURSE OF LOUISIANA.

The curse inflicted upon Louisiana, as a seeming punishment for the relaxed condition of public sentiment prevailing, is in the guise of a cormorant corporation, which is debasing the politics and morals of the State. The Louisiana State Lottery has an unexpired tenure of five years, and is endeavoring to secure corporate extension by the election of members of the legislature who will submit to a vote a constitutional change expunging the declaration against gambling as a vice, and forbidding further charter or license to those who would adopt it as a vocation. Though it is a year from the election, the agitation is vigorous and promises to rival party spirit as a basis of selection of candidates. The present license expires in 1895, so it will be seen that the lottery people, like the Pacific railroad people, will keep a persistent demand in view through more than one legislative session, with the hope of hitting one of the several birds with the mad-stone which is to exhaust the poison of popular enmity. The most alluring bait proffered is the vast sum of \$12,500,000, to be paid in annual instalments of \$500-

000, as a license for twenty-five years, bringing to mind the trick as Antony to raise up friends for Caesar by telling that—

He gives

To every several man seventy-five drachmas.

This proffer of money for public uses is accompanied by displays of expenditure wholly unjustifiable in a democracy, and includes well-advertised donations to all the public charities. Young men and women of families, enjoying the monopoly conferred by the charter, parade themselves as public benefactors and Ladies Bountiful before the public gaze, aiming to arouse among the voters that "hope of the unseen," which is the talisman by which their wealth is derived from the deluded victims of their gambling scheme. The late unfortunate overflow has given an opportunity for a patronizing distribution of part of the great accumulations of the lottery, and the subsidized press of the State is wont to call attention to the fact that it is more vigilant and abler to relieve than the executive of the commonwealth. A steam-boat has been sent through the distressed region, taking to higher land the families and cattle from overflowed homes. Proffers of money have been made to the State, and donations to the levee districts expended to avert the impending calamity, in every instance carrying the inference that such charities were possible only from the magnanimous lottery, and suggesting that there was a possible return for the favor in a vote to extend the charter. The religious people might point to the frightful condition as an evident curse of the Almighty, but the cynicism of the lottery claquers retorts that "idle sentiment does not supply anything but an idle wish."

The organized farmers of Louisiana, through their State Union, have pronounced against the submission of this question to the people, as they would against its adoption if to be voted for. To the candidates for the legislature the yardstick of the Union will be applied, and one dimension will be: Are you with us in this? Recognizing their pledge to labor "to develop a better state, mentally, morally, socially, and financially," they will do their utmost for the advancement of the general good. They see that, aside from the doubtful teaching that money may be taken from people in such a way as to be no hurt, the very existence of the lottery is violative of the best conceptions of right. Its habitual displays of charity do not conceal the base origin of its gains, and the Union's idea of justice is that atonement requires restitution, and not the bestowal of largess. In the view of the farmers it is a time to reverse the dictum that "Honesty's a dog that must to kennel." The standing disgrace upon the people that they have so long submitted to see vice in glittering raiment while homely virtue must be content with rags, is to be wiped out. The covenant with evil is to end, and

the corruption which has made Louisiana politics a reproach for twenty years is to be eliminated.

The support of right-thinking men everywhere will be given to the Louisiana farmers. Their fight will be watched with prayerful interest by good men.

THAT HUNDRED MILLION RESERVE.

There is just at the present time considerable discussion regarding the \$100,000,000 in gold held by the Secretary of the Treasury for the alleged purpose of redeeming the United States legal-tenders. The matter was brought up in the Senate recently, and no one seemed to understand why it was held or under what provisions of law. The fact is, there is no law requiring it, and that no act of Congress was ever passed in which such a condition was plainly provided. This vast sum of money has been held from the channels of business by a ruling of the Treasury Department. The two acts of Congress upon which this construction is based are as follows. In the act to provide for the redemption of specie payments approved January 14, 1875, section 3, among other things, provides:

And whenever, and so often, as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess only of \$300,000,000, to the amount of 80 per centum of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of \$300,000,000 of such legal-tender United States notes, and no more. 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. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues, from time to time, in the Treasury not otherwise appropriated, and to issue, sell and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the act of Congress approved July fourteenth, eighteen hundred and seventy.

At this time there were \$375,771,580 legal tenders outstanding. This act of Congress decreed that this amount should be reduced to \$300,000,000. The act of May 31, 1878, repealed this and forbade the further destruction of these legal tenders. The idea of a fund to be held for the redemption of the greenback was not contemplated. Section 12 of the act of July 12, 1882, contained this proviso:

That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below one hundred millions of dollars; and the provisions of section 5207 of the Revised Statutes shall be applicable to the certificates herein authorized and directed to be issued.

This assumes that there is a reserve fund provided for by law, and in this manner seeks to legalize the hoarding of this large amount in the Treasury. By a careful analysis of the law quoted, it will be seen that a fund to be set aside for the redemption of the legal-tenders does not enter into the subjects considered.

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. 54.

COMBINATIONS AND THE PEOPLE.

The claim on behalf of the corporate combinations that competition is destructive of their fair and honest profits has been shown to be untrue. Now let us inquire how much truth there is in the assertion that the same force grinds down the masses and restricts the returns of the farmer and wage-worker.

It is a self-evident proposition that the force is a universal one in regulating the return which the common people must receive for their efforts. Labor unions can only change its form. Farmers Alliances make their most effective results by organizing to turn it in their favor. It must be recognized, so far as the people are concerned, as an inevitable regulating influence which can not be escaped. As with the attraction of gravitation, devices may be established which will transfer the burden from one point to another, or concentrate the weight upon a single place with the effect of relieving it at another point, but that the weight must rest somewhere is a great natural law.

With regard to the phenomenon of cut-throat rivalry, the farmers, the ordinary merchants, the builders and owners of houses have already been cited as exempt from that recklessness. They may have to take less profits than they wish, but their competition always ceases at the point of actual loss. So long as there is profit in those industries, the competitors must take the amount of profit yielded by free competition; but when the inequality or excess of competition reduces that profit below the average return, the competitors will seek a means of abandoning the competition and transferring their capital to other fields and efforts. In other words, in exact proportion as the influence of competition is free and unhampered, the competitive reduction of prices stops at the limit where profit ceases and loss begins.

To claim that competition has the inevitable and universal effect to crowd down the wages of the laborer, and to decrease the returns of the farmer, the mechanic, or the small merchant, is to forget that competition in demand is just as strong a force as competition in supply. So long as industry continues to expand with the increase of capital, so long will the demand for labor increase and sustain the wages of the laborer. With every enhancement of the volume of other industries, there must be an increase in the demand for the products of the farmer. The result inevitably must be that with competition free on all sides, every industry will have its share of the profits of production assigned to it by the unchecked action of that force.

Of course it will be said that this is not always the case. The agricultural industries are depressed; the farmer finds it hard work to earn a living for himself and education for his children; the common laborer is forced often to accept starvation wages. The peo-

ple who recognize these facts are apt to consider the facts a great deal more cogent than any abstract theory. Facts are always more convincing than theories; but it is well to be certain that we know exactly what the facts are and take all of them into consideration before deciding that they either prove or disprove the theory. Take all the facts into consideration, and make sure of their workings before deciding whether these things are the result of free competition or of successful combinations.

The gross return of a nation's industry and commerce is its total production. The net returns or profit of the nation's industry is the surplus of product after paying the expenses of the people while the production of its own staples is going on. With this total taken as a whole, and the distribution of the various shares made under free competition, a measure is established by which each department of production receives its fair share of the total. But if one department is controlled by a combination so that it receives a greater share of the total production in exchange for its own product than it would under free competition, by just so much as its share is increased the shares of all the other departments of industry and of every worker in those departments must be diminished.

It is easy enough to show how the justice of the distribution of products by free competition may be disturbed by successful combinations. Suppose that the surplus product of any country is represented by four hundred million bushels of wheat at an average price of a dollar a bushel. A portion of this wheat must be exchanged for three thousand million pounds of sugar to be consumed by the nation which produces the wheat. If the price fixed by competition for the sugar is five cents per pound, then it takes a hundred and fifty million bushels of wheat to purchase the sugar. But if a combination or trust suspends competition in the refining and sale of sugar, thereby succeeding in adding five cents per pound to the competitive price, it will take three hundred million bushels of wheat to buy the three thousand million pounds of sugar. In other words, the combination of the sugar trade takes away three-eighths of the products of the wheat producer. The illustration somewhat changes the actual facts solely to simplify it; but when we remember that a combination has been in force for the past few years which added three cents per pound to the cost of the sugar consumed by this nation, it ought not to be hard to see that that three cents per pound represented \$90,000,000 taken away from the net profits of the masses.

This illustration can be repeated with varied figures wherever any successful combination has enhanced the price of its staples. If a monopoly of petroleum refining makes an enhancement above the price fixed by free competition of 5 cents per gallon upon the 360,000,000 gallons of petroleum used in this country, it means that exactly \$18,000,000 of the net returns and profits of the masses is taken away from them, and given to the members of the combination. If an anthracite combination succeeds in increasing the price of anthracite coal \$1 per ton above what free competition would establish, the consumers of coal must lose upon the 32,000,000 tons of anthracite consumed in this country \$32,000,000 from the returns of their industry. Find out the products of each combination in this country, determine the in-

crease of prices above the competitive level which it secures, and you will thus find out the amount of the returns which the masses would receive under free competition, but which are taken away by the combinations and given to the members of the trusts; and if you choose to imagine that the railroad policy of trying by combination to get 5 or 6 per cent dividends on \$4,000,000,000 of fictitious stocks and bonds, you will see that the success of that endeavor must imply the lessening of the rewards of the great masses of industry by \$200,000,000 to \$240,000,000 annually.

This is the inevitable result of combinations which concentrate the force of competition on the industries where combinations can not be established in order to remove it from those where the combinations are successful. It is not necessary for the present purpose to determine the exact amount of the total levies which the combinations have thus made upon the profits of the masses. It is enough to know that such efforts are constantly going on; that they have been successful in many instances, with varying degrees of permanence. Under such circumstances it is not remarkable that the rewards of the fundamental industries should be insufficient. But, with those great facts before us, is it not a remarkable example of blind reasoning to assign such depression and burden to the action of competition? Is it not clear that every such burden is due to the obstruction and suspension of competition, and that the obvious way to correct such evils is to re-establish the beneficial force which will compel the combined industries to receive only their competitive share of the total of production.

This is the first point which I would urge in considering the effect of competition on the popular industries. The most obvious cause of the insufficiency of wages and the slender returns of the farmers, is the success of combinations in enhancing their own profits, with the inevitable result of taking away the exact amount of the enhancement from the profits of the masses.

Competition and Freedom.

BY HARRY HINTON.

Harry Hinton has said some extraordinary things, but since Hudson's strong exposition of the railroad subject has cleared away incidentally the fog surrounding industrial pursuits in relation to open and free competition, he is prepared to go farther and make broader assertions. He asserts that the American citizen is not a free man but a slave. Now for the proof.

1. When a man's labor is controlled for the benefit of others he is not a free man.

If Harry Hinton can prove this, the whole question is established; but he will bring other proofs also. Thomas H. Benton says that "all property is at the mercy of the money power." If a man's property is at the mercy of the money power, how much more is his labor. James A. Garfield says that whoever controls the money of a country controls all industry and commerce. We find that the money of this country can be controlled by certain combinations, and what individuals can not do unassisted the Government can do for them. Not long since the monarchies of Europe, fearing the power of the people, who were beginning to awaken to a sense of liberty,

conceived a plan of weakening their resources and of strengthening the power of the nobility, who are always staunch friends of tyranny. This was done simply and easily by controlling the money, and by this controlling labor. Half of the money of those kingdoms consisting of silver was canceled, outlawed, or demonetized. This made the remainder of double value. Who had in possession the most of the silver money? A large portion of it was among the people, and thus outlawed it was only worth its weight as bullion. All the gold and certificates of indebtedness doubled in value. (We mean by value purchasing power.) Who held the gold and certificates of indebtedness? Not the common people, but the rich and the nobility. Thus we find that with one sweep of finance they more than doubled the wealth of the gold and certificate holder, and at the same time halved the price of labor and the property of the common people. Not only this, but they doubled the burdens of labor in paying interests on debts and supporting salaries of government officials. The report now comes to us that half of the real estate of those kingdoms has been swallowed up by the money power. This was the direct result of these monarchies doubling the purchasing power of the money and credits of the rich, halving the resources of the poor, and at the same time doubling their burdens. European tyranny had a reason for this. It was to cripple the strength of that class from which liberty always springs. But the free (?) Government of the United States overrode Herod himself. It collects all its floating bonds and bills of credit, funds them into bonds of long standing, makes them payable in coin, then makes them payable in gold, and, finally, to cap the climax, cancels all silver money to the price of bullion. Every step taken by the Government was to enhance the purchasing power of the gold and the debts. At this time who held the gold, the silver, and the paper money in floating bonds and legal tenders? The banks held the specie and a majority of the paper was among the people. The banks had closely guarded their specie during the war. In steps the Government and forms a league with the banks by which they can get all the floating paper currency under their control. They strike a bargain. If you will buy up this currency and floating bonds from the people, I will issue you bonds, says the Government, in such large amounts they can not handle them, and I will pay you 90 per cent of the money back and the interest one year ahead in gold. This will enable you, with the specie you already have hoarded, to draw all this money from the hands of the people. The bargain was struck and the thing was done. A few legal tenders by a subsequent law was left out. This seems to have been villainy enough for one short period. But this was not all. As soon as all the floating bonds and currency except a small amount of legal tenders was in the Government agrees to cancel all silver just as the European monarchies did. This was to increase the value of the bonds and to lay under tribute the working people. The Government and its partners thought they would never have sense enough to find it out. This trickery drew all the money from the hands and control of the people, placed it in the hands of a few, increased its purchasing power four times over after it left their hands, placed a burden on their shoulders from which they previously were exempt, and tripled the weight

of that burden. The consequence is that one of the dollars of these Government favorites will buy four times what it would when it was first issued to them, and the interest and the principal, which the laborer has to pay, is worth four times the sum it was purchased in. Their money and certificates have increased fourfold, and the common people's labor depreciated in like manner. This is controlling labor. This is slavery. Also, by giving the money holder these advantages, he has been enabled to form combinations in other things, until not only labor is oppressed, but the property of the laborer is fast leaving his possession. Note the large amount of mortgages now on real estate in the most thriving States of the Union. We will now bring forth another assertion to prove that the American is not a free man but a slave.

2. No man is a freeman who lives in a government who willfully robs its citizens.

Thomas Jefferson said that "funding was simply robbing the people on a great scale." At the close of the war the debt of the Government was afloat among the people, and Grant said in a message it could discharge this debt in the manner it was paying it in less than fifteen years and bring the money down to a specie basis. But Congress withdrew this debt by special legislation, funded it in the hands of a few, greatly magnified the value of the bonds, and fastened the payment of the principal and interest on the people. The taking of this currency out of the hands of the people and funding it in large bonds was a robbery. After getting this Government paper out of the hands of the people, which was redeemable then in currency, and making it redeemable in coin was a robbery. The demonetization of silver, and making the bonds redeemable in gold was another robbery. Why could not all this been done with this debt afloat among the people? Did the funding of the debt lessen the amount? The reason is evident. The very men who hoarded their gold during the war more speculating on Government paper, and they did not propose to let the opportunity slide without the Government yielded to their demands of ruining the Government's credit and amassing fortunes. The Government yielded; the people were robbed, and they amassed huge fortunes and laid under tribute every industry of the land.

3. No people are free in any Government which does not keep the way open to free competition in every line of industry and pursuit.

The direct result of the money monopoly fostered and watered by the Government itself being the parent and prolific source of tyranny, brings a thousand other tyrannies in the form of monopolies all over the land. These monopolies prevent free competition, and by preventing free competition are enabled to sell their goods at a higher price, thus levying an indirect tax on the consumer in the form of tribute. The amount paid by the people to these monopolies over and above what they would have to pay in open competition annually amounts to several hundred millions. These monopolies by buying out or freezing out weaker rivals, prevent persons from engaging in the same business. This is a violation of the first principles of civil liberty, and violates the sacred rights of every citizen. It is an injury to every consumer of the article handled or made. The sugar and oil trust can make every man a slave in the

nation by selling products at a higher price than they would be sold with free competition. We find that the Government, by its class legislation, is the foster parent of all these monopolies, either directly or indirectly, but unfortunately when once on the people grinding them to poverty and serfdom it is very powerless to interfere. It has power to build them up, but it has no power to tear them down. If any man who may read these proofs that the citizens of the United States are slaves working and laboring to support in luxurious splendor the pets of the nation are still in doubt, let him study why it is that these same classes are making the most money when the common people are making the least? The thorough knowledge of the causes in operation will clear up every doubt. Harry Hinton would be much pleased to have the proofs from any common man who still believes himself a free man.

The Speech Doth Fit the Present Times.

The speech with which Oliver Cromwell turned Parliament out of doors in 1653 has come to light through the researches of Dr. Wolfgang Michael, and there is strong evidence that it is authentic. It was this: "It is high time for me to put an end to your sitting in this place, which ye have dishonored by your contempt of all virtue and defiled by your practice of every vice. Ye are a factious crew and enemies to all good government. Ye are a pack of mercenary wretches and would, like Esau, sell your country for a mess of pottage, and like Judas betray your God for a few pieces of money. Is there a single virtue now remaining among you? Is there one vice ye do not possess? Ye have no more religion than my horse. Gold is your God. Which of you have not bartered away your consciences for bribes? Is there a man among you that hath the least care for the good of the Commonwealth? Ye sordid prostitutes! have ye not defiled this sacred place and turned the Lord's temple into a den of thieves! By your immoral principles and wicked practices ye are grown intolerably odious to the whole nation. You, who were deputed here by the people to get their grievances redressed, are yourselves become their greatest grievance. Your country, therefore, calls upon me to cleanse this Augean stable by putting a final period to your iniquitous proceedings in this house, and which, by God's help and the strength He hath given me, I have now come to do. I command you, therefore, upon peril of your lives, to depart immediately out of this place. Go! Get you out! Make haste! Ye venal slaves, begone! Soh! Take away that shining bauble there and lock up the door."

HON. ALONZO WARDALL, of the executive board and legislative committee of the order, has been commissioned by the Governor of South Dakota to visit the East to investigate whether it be practicable to introduce the manufacture of flax in his State. The people of his Dakota desire to introduce machinery, if thought practicable, and make their own twine. Brother Wardall took in Washington on his route, and participated in work by the committees to which he belongs.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

ABOUT "DIVERSIFICATION."

Protection and diversification is the new formula for agricultural salvation. Seeing, however, that Japan persimmons do not prosper in Alaska, this new dispensation is scarcely to be regarded a gospel of universal application. Sugar has been made from corn-stalks, and according to the high authority of Lord Byron, "Bread has been made indifferent from potatoes." If it be supposed that wheat and corn and grass can be profitably replaced in the agriculture of the great grass and grain-growing States by silk-worms and sugar-beets, any person so supposing had better just try it and get undeceived. We are told that we produce too much bread stuff and butchers' meat and dairy products and cotton. We are asked to believe that more of these great world staples are produced than the world needs. We are asked to believe that six ounces of flour per capita is too much flour for the people. If the contention be that this is more than the people can buy, well and good. But if the contention be that this is more than the people can eat, that thing is utterly false and erroneous. The remedy does not lie in banishing from our agriculture products best adapted to the soil and climate; articles of prime necessity, the cultivation of which our people understand; to bring into their room articles which grow best elsewhere, which are wholly unadapted to our climate and soil, and with the culture and handling and marketing of which our agriculturists are wholly unfamiliar. It does lie in the direction of restoring to the people ability to consume their normal ration.

If the contention of the Honorable Secretary of Agriculture be valid, that is to say, if the application of modern science in modern agriculture has resulted in the production of more than the world wants, then the Secretary of Agriculture is a mistake; the Department a farce; the trained corps of scientists of the department, laboring to advance scientific agriculture, are doing a public harm; the agricultural colleges and experiment stations are things which ought not to be; self-binders and traction engines should be burned up. The contention of the Honorable Secretary is not valid. The true mission of the department and all its agencies is by the applications of modern science in agricultural production, to lessen the cost and increase the volume of produce. All the people may have in that case the necessities of life cheapened to them, not as measured by pieces of gold, but as tested by the true and only true standard of value, to-wit, the product of labor. The true question is not how much metal the thing needed will fetch, whether gold or silver, but how much labor will fetch the thing needed. Science has nothing at all whatever to do with gold and silver, but with the applications and results of labor and skill it is vitally concerned, and except in so far as it influences the last, science itself of no consequence to mankind. First in order came Statistician Dodge, our good friend, preaching this new-light gospel. Then followed National Lecturer Whitehead of the Grange, our worthy

brother. Then in turn Captain McKinley and the "ways and means" people at his back. And last of all Secretary Rusk, himself likewise a Granger. Here we have a long pull, a strong pull, and a pull all together, but whether the true inwardness thereof be grangerism, or politics, or applied science in agriculture, is a thing open to doubt. Friends, all of you, listen while we tell you a thing. We who till the ground are tired and hungry and cold. We are out at the elbows, and we want new shoes. Moreover we whose toil has filled the great elevators to bursting, our bellies pinch us in the midst of this that you call "over-production." "Water, water everywhere, and ne'er a drop to drink." Men in our case do not desire preaching and essaying; we want relief. Do not suppose that we are ignorant of what the matter is. You have done to us these things, viz:

You have contracted our currency until we must pay debts undertaken by us when we had \$52 per capita with about \$5 per capita. A thing impossible to be done.

You have demonetized our silver and hoarded our gold.

You have taken away from us our greenback and our fractional currency.

You have compelled us to hire your bank to issue our money, and made it unlawful for the banks to loan us money on our property and produce as security, and you have surrendered to these banks the constitutional prerogative of our Government to control the volume of our currency.

You have exempted the property of the rich from taxation, and you have overburdened labor and skill with taxes on life's necessities.

Now, therefore, we demand to know why have you dealt thus falsely with us? And you come preaching to us protection and diversification and overproduction.

Do you take us all to be fools?

Take notice that what we demand is going to be enforced. We demand these things, viz: First that we hear no more about protection, diversification and over-production; second, that you simplify the taxes until the people understand them; third, that you issue to the people a sufficient and flexible volume of currency to do their business; to remedy the wrongs of contraction, and re-establish equity—this money to consist of silver equal to gold, gold, and Treasury notes, redeemable at par in coin. Leave then the people to do their own business, encouraging them to advance science, to increase knowledge, to multiply the conveniences of life, to cultivate the industrial arts. Hence will arise between all people, all races, all sections sentiments of friendship, love and truth. Then, with the gray streak that light the day-spring of a new century, will dawn upon our country a new era of freedom, prosperity, and peace.

AGRICULTURE A SCIENCE.

A fundamental error underlies much of the failure of agricultural colleges and experimental stations. This error is the failure or refusal of those responsible for the conduct of these institutions to understand and to act upon the fact that agriculture rightly understood is a thoroughly scientific pursuit. If not so, then is the endowment of agricultural colleges and stations a very absurd folly. If the fact be true, then a scientific agriculturist ought to be placed in charge of this work. It ought to be understood that

a man of no scientific attainment is not competent to fill any such place. It ought to be understood that a chemist is no more an agriculturist than he is a physician. The same is true of a physiologist, a geologist, a paleontologist, a biologist, a mathematician. Medicine is a concrete science, on which is based every specialty of the healing art. Agriculture is a concrete science, on which is based every branch of the complex art of husbandry. The truly scientific agriculturist is necessarily a man of the broadest scientific attainment. A chemist is not a physician, but a physician is necessarily well skilled in chemical science. An agriculturist in like manner must be well skilled in chemistry, whereas a chemist may very well be, as nearly all chemists are, entirely unacquainted with the art of culture or business of farming.

Men say these things are truisms, they are perfectly well known to everybody. They are, indeed, truisms, but by no means are they perfectly well known to everybody. We have yet to see or hear of a governor of a State who has shown a comprehension of them in the smallest degree in appointing a board of managers for the agricultural college or station in any State. Therefore, no such board of managers in any State has shown capacity to organize and officer any such college or station on a satisfactory basis.

Scientific agriculturists as here referred to. In so saying ignorance of the subject is implied. We could name scores of them in every State. We name as types the late Edmond Ruffin and the late Henry S. Randall. There have been such men in the faculties and managing boards of our colleges, but they have been snowed under in all cases by those who were merely playing the game, "poor puss wants a corner." Farming as a business is one thing; agriculture as a science is another and very different thing. The director of an experiment station ought to be a scientific agriculturist, learned in the science and skilled in the practice of that profession, and familiar with the great business questions, the solution of which are of importance. He should have working under his direction a chemist and a physiologist, skilled in the physiology of both animals and plants. The president of the college should likewise be a learned agriculturist, seconded by a faculty of scientific specialists of the first rank. The managing board should be composed of able, successful, practical agriculturists. Then and not before will these institutions deserve and receive confidence and respect. A skilled gardener who gives himself a latin name, passing as "horticulturist" which has a learned sound, is recognized as a man of science and is styled "professor of horticulture," and gets as much salary as four or five gardeners. Gardening, or if it must be so "horticulture" is one of the minor specialties of agriculture. How, then is this horticulture a science and agriculture not a science?

Plainly enough there are lots of loose thinking about these great matters. Such a man as Taylor, or Ruffin, or Randall, or Caperon, or Joseph Harris, or Robert Beverly, knows more of agriculture whether as a science or an art than all the chemists and analysts from Leibig until now, and more than all the gardeners from McMahon to Peter Henderson. Put then an agriculturist at the head of the college and another agriculturist at the head of the station, and put the specialist under them.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 14.

By the act of February 4, 1868, the further destruction of greenbacks was prohibited. The bill passed both houses of Congress, but became a law without the signature of President Johnson. It provided—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act, the authority of the Secretary of the Treasury to make any reduction of the currency, by retiring or cancelling United States notes, shall be, and is hereby, suspended: but nothing herein contained shall prevent the cancellation and destruction of mutilated United States notes, and the replacing of the same with notes of the same character and amount.

SCHUYLER COLFAX,
Speaker of the House of Representatives.

B. F. WADE,
President of the Senate pro tempore.

Indorsed by the President: "Received, January 23, 1868."

[Note by the Department of State.—The foregoing act having been presented to the President of the United States for his approval, and not having been returned by him to the house of Congress in which it originated within the time prescribed by the Constitution of the United States, has become a law without his approval.]

This was demanded because of the changed condition among the people. Where prosperity had obtained, adversity and hard times began to be felt. Business failures had increased from 495, with liabilities of only \$8,579,000, in 1864, to 2,780, with liabilities of \$96,666,000, in 1867. The people were not prepared for such a change in their affairs, and a general murmur of discontent was heard throughout the country. Complaints of this character were well founded, and are always made when the volume of circulating medium is reduced. From January 1, 1866, to January 1, 1868, the currency of the country had been contracted, according to W. L. Faucett, \$986,502,953. Other authorities place it at a much larger amount. State bank circulation had gone from \$45,449,155 to \$3,792,013. Greenbacks from \$433,160,560 to \$356,141,723. Compound notes from \$159,012,140 to \$28,161,810. Three year notes from \$806,901,750 to \$37,717,650. Temporary loan, \$147,527,196 to \$13,815,029. Meanwhile the national banks that were expected to issue currency to break the effect of such a rapid contraction, only increased from \$213,339,530 to \$294,376,390. During this time the bonded debt of the nation had increased from \$605,569,300, at the close of the war, to \$1,579,265,641 the last month of 1867, an increase of \$973,606,341. Greenbacks to the amount of \$77,018,837, had actually been burned up, and bonds, bearing 6 per cent interest, issued in their place. If this rate of interest is compounded for twenty-three years it shows that the people have paid about \$154,000,000 as interest and still owe the principal. Let each

farmer or producer who may read this article consider candidly whether the retiring from circulation of \$77,018,837, when it was doing good by serving the people, without cost or interest, has been worth to them the sum of \$154,000,000 in interest and \$77,018,837 as principal, or a total of \$231,018,837. There is no mistake in this statement. The above-named amount of legal tenders were called in and destroyed and 6 per cent bonds issued instead. These bonds are not paid at the present time, although refunded since then, and the bonds into which they were refunded are at a high premium because of the scarcity of this same legal tender that was destroyed. History does not record a parallel for such idiotic and wicked legislation. Every effort was made to make money scarce and, as a consequence, dear. As the volume of currency was reduced the people realized more fully that something was wrong. They became aware that the buoyancy, snap, and ease of business was giving way to a condition almost the opposite, and for reasons as yet beyond their comprehension. Just why it has been necessary to perpetuate that condition until now, and thereby wreck the fortunes of more than 250,000 business men, is quite difficult to explain. Business failures all told amounting to more than \$4,500,000,000 have followed the continuance of such a public policy, and yet this destruction of values is still going on. While this act stopped the further destruction of the legal tenders, contraction by funding and hoarding in the Treasury continued. In July a bill was passed authorizing the Secretary of the Treasury to issue temporary loan certificates to redeem and retire the outstanding compound-interest bearing notes—about \$85,000,000 in this class of certificates were issued altogether. A discussion was also again revived as to the kind of currency the 5-20 bonds were to be paid in. This was continued in various forms and under various pretexts until it culminated in the passage of what is known as the "Public credit strengthening act." This act was the legitimate product of a public policy that had studiously ignored the interests of the people, and only considered such measures as would in the end increase the "power of money to oppress."

The Springer (N. M.) Banner says:
The demonetization of silver has been a national calamity. We must have a double monetary standard.

The Progressive Farmer (Raleigh, N. C.)

The country has entered on perilous times. The agricultural interests are threatened with bankruptcy and ruin. The power of money to oppress has, through the manipulations of selfish men and the treachery of your public servants, reached the point where it must be checked. Fortunately for the country the people have been aroused to an appreciation of the alarming situation. Our hope is based on their patriotism and manhood. They must nerve themselves up to the demands of the situation, and elect men to represent them whose lives and records entitle them to confidence. Such and only such should be elected to our legislature and to Congress.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Rice County Eagle (Lyons, Kan.) says:

The Ingalls resolutions passed by the Alliance presidents at Topeka was really a challenge to point out one single act of our senior Senator which was beneficial to his constituents; but his henchmen, instead of accepting the challenge, answer by calling the meeting a Democratic caucus, idiotic, etc. Heretofore this has proved a squelcher, but it seems to have lost force and is rather reacting. We have heard many who before were rather inclined to favor Ingalls, say that settles it with them. They are satisfied now that he should not be returned.

The Southern Messenger (Buchanan, Ga.) fixes responsibility:

Farmers, you should not complain too much about the unwholesome laws now enforced upon you. Remember you have been instrumental in the election of all your lawmakers. It lies in your power to have such laws enacted as will please you. Will you exercise that power? Or will you continue to allow a moneyed aristocracy to press you to the wall?

The Independent Citizen (Albany, N. Y.) says:

If the average voter could be made to think more of what is really involved in his ballot, he would not be such a slave to party. His mind would naturally turn more to the highest interest of his home and the well-being of posterity rather than the success of party.

The Kansas Commoner (Newton) discusses the different styles in which members of representative organizations engage in discussion:

Well, now, why would the farmers go to abusing each other on these matters while the bankers abstained from it? Did you ever stop to think that the difference in manner results solely from the fact that the bankers know that there is nothing but deceit in the protestations of both Republicanism and Democracy? That in point of fact it makes no difference to them—or the farmer—whether either Cleveland or Harrison is President. They know this thoroughly, and that is why the bankers don't quarrel. Now you tell us the reason why the farmers do quarrel?

The Boston (Mass.) Globe can make a fair discrimination:

The Farmers Alliance has entered upon a gigantic scheme to store wheat until it will bring a fair price. It is about time that the speculators' monopoly of this device met with a little competition from the producer.

The Non-Conformist (Winfield, Kan.) grows lurid:

Every possible effort will be made to side-track the people upon side or minor issues, while money will become scarcer, times harder, and the farms and homes of the state will go on passing from the hard-working owners thereof into the hands of the scheming devils whose march of triumph is strewn with the wrecks of human bodies and souls. Vice, crime, pauperism, ignorance, and insanity are on the increase, and the people shout amen to the political policies that produce them. Families will be rendered homeless, young men will be driven to tramping, mothers' hearts will be broken, old people will die in the poor-house, welcoming death as a glad relief, while strong men, with eyes to see and ears to hear, will go on bickering and quarreling, and dividing on questions of no importance, and tremblingly falling into line in answer to the crack of the party whip.

The Industrial News (Jackson, Miss.) gives a clear argument:

The demand of the National Farmers' Alliance made in Congress to have the United States erect warehouses throughout the Union for the free storage of grain, cotton, tobacco, and other products is not unreasonable in view of the fact that Government warehouses have been built in a number of States for the purpose of storing liquor for the accommodation of the distillers and to enable them to manufacture ahead without being obliged to pay the revenue until they remove the liquor from these Government warehouses. There is now nearly fifty million dollars due the United States on these stored liquors. If the Government will do

as much for the farmers, and advance them a loan of 80 per cent of the cash value of their products at 1 per cent interest, it would relieve the money market at a time when it is most needed in removing the volume of products from the farms to the markets. This would have the other good effect of protecting the farmers against the necessity of selling at a time when the speculators depress the markets. The retail dealers would largely be benefited by receiving the cash trade of farmers, and only the speculators, these leeches of society, will be the losers. If the United States Treasury has the right to loan large sums of money to the national banks, the claims of the farmers are surely justified. Congress and State legislatures have for a long time made and sustained laws in the interest of the banks and money lenders, and it is about time that laws should be enacted in the interest of the producers of all wealth.

The Kansas Farmer (Topeka) discusses a new party, and gives this advice:

Take any given county where the subject is discussed, let the first question put be—Will the parties in the county adopt the Alliance principles? If this is determined affirmatively, let the next question be: Can we secure the selection of acceptable men for party candidates? If both of these questions are determined favorably, there is no need of further discussion. The work can and ought to be done within party lines. If they are determined negatively, then there is no safety but united action in favor of your own candidates, nominated by yourselves in your own way, to be supported by the Alliance and Industrial Union solidly. The parties must be converted or they must be defeated.

The Colorado Workman (Pueblo) says:

Congress has been in session nearly five months and not a law has been passed that is of as much interest to the people as the history of a last year bird's nest.

The Bruceville (Tex.) Herald favors the Australian ballot:

Has not McLennan county a candidate for the legislature that will give us his ideas on the subject? It is not a question that a man should be afraid of, for the party lines are not drawn on it one way or the other, and we hope the big guns of the Democratic party will not strangle the thing before its birth in Texas by pronouncing it undemocratic. If they do it is a goner, sure.

The Alliance Sentinel (Lansing, Mich.) tells of the Alliance:

We are constantly receiving letters asking us if the Alliance is a political organization. Our answer is simply this: It may be political, but it is not partisan. It is not the property of any party, clique, section, religion, or belief. It is a grand humanitarian fraternal organization for the benefit of the masses. It has secrecy enough about it to keep the monopolistic enemies of the people out of our camp. It discusses economic questions with a directness and earnestness not known to any other order. It has well-defined methods of work and definite principles to maintain. While it is not a political party in any sense, it hopes to so educate the people that they will vote for their friends instead of their enemies.

The Northern Light (Spokane Falls, Wash.) is a bright little publication, which deserves to become large. It reminds its people:

Why, gentlemen, it was only a few short weeks since that the monopolistic press of this city fairly screeched at your impudence and audacity in attempting to take part in the purification of the municipal government. What for? Because they thought you would purify it, which they did not want. So, farmers, mechanics and laborers it is a sure indication that you have business in politics, or the politicians would not tell you to keep out.

The Sun (Leavenworth, Kan.) has changed hands. It has an inkling of the result locally of the inquiry into mortgage indebtedness:

According to the official report about to be published as part of the forthcoming United States census, seven thousand mortgages have been placed on Leavenworth county property within the last ten years. These mortgages are in large part farm mortgages. Supposing the average face of these mortgages to have been \$300, and the average time four years at 8 per cent, including commissions, and we have an aggregate interest drain out of the county during

THE NATIONAL ECONOMIST.

these ten years of nearly \$1,200,000. We use the word "drain" advisedly, since most of the money borrowed was "Eastern money," and went annually and semi-annually out of the pockets of our country people into the coffers of Eastern money lenders. A large portion of the drain was out of the pockets of our farmers.

The Union (Butler, Mo.) wants information:

A greenback dollar will buy a wagon-load of stovewood. Which is overproduced, the dollar or the wood?

The New Orleans Times Democrat gives the following:

The Hon. J. M. Fippen, an Indianian, who has busied himself recently in inquiring into the causes of farmers' complaints that are so rife in his State, as well as in other agricultural States of the Union, has unearthed a state of things in his own county of Tipton that is quite startling. It seems that in point of resources and condition, Tipton is unsurpassed in the Mississippi Valley. During the last twenty years, so fruitful is its soil, it has produced more than twice as much as it has consumed. Mr. Fippen, after rummaging for some weeks, with several assistants, among the mortgage records of the county, has discovered the following to be the state of its mortgage indebtedness at regular intervals for the last forty years:

January 1, 1850.....	\$156,129
January 1, 1860.....	148,798
January 1, 1870.....	607,000
January 1, 1880.....	802,148
January 1, 1890.....	2,287,435

At the beginning of the present year the real estate of the county in question was loaded with an indebtedness equal to 80 per cent of its assessed, and probably to 50 per cent of its selling value. There are only 15,000 inhabitants in the county, and of course, therefore, only about 3,000 heads of families. The mortgage debt of \$2,287,435 divided among 3,000 families would put a debt of \$762 on every family in the county! The mortgages carry 8 per cent interest, and therefore every family on an average in Tipton County, Ind., has to pay \$61 interest every year on its mortgages—and that, be it remembered, is exclusive of all burdens of railroad, chattel and county indebtedness! Very many counties in most of the agricultural States are said to be in a similar condition to Tipton County, Ind., and it is about time, therefore, that Jerry Rusk were coming with some of his patent nostrums to the relief of the farmers, if he would not have the whole agricultural interest engulfed in one common ruin.

The next Legislature in Texas will be called upon to propose an amendment to the State constitution authorizing a railroad commission. Candidates will be measured by that gauge. The Southern Mercury (Dallas) advises primary elections, and says:

In the pending campaign where corporate denunciation of this state for all times to come on the one hand, and the right and duty of the Government to set bounds to their greed and the supremacy of the law over them on the other are the chief issues. Nothing but primary elections will give the masses, who know nothing of the arts of manipulating conventions a fair chance. Get up a primary election in your county and give the people a fair chance to give expression to their choice of candidates.

The Junction City (Kan.) Tribune thinks there is some bosh in the farm mortgage discussion:

Prof. White, in the Manhattan Industrialist, discusses the farm mortgage indebtedness of Kansas, from three different stand points, seemingly unable to find satisfactory figures on the subject. Yet, on the whole, he intimates that figures only showing the original amounts are too big; or, are at least misleading. All that may be, but there is another field where the figures are neither doubtful nor misleading, and the amount stated is more than three times the biggest figures yet published as to farm mortgages. Here are some of the facts and figures as officially stated: The U. P. Railroad Company has received for building and equipping its road in this State 12,800 acres of land and \$16,000 per mile; in other words, \$54,400 per mile. That munificent sum should have built and equipped the road magnificently, and left it in the hands of the people free from debt. But instead of doing so the road now floats a capitalization of \$105,454.78 per mile, on which the people must pay dividends or interest in order to use their own road. To cut the story short, it may be stated that Kansas now staggers under a railroad capitaliza-

tion of \$915,836,147, on which interest and dividends are expected. Talk of farm mortgages! Bosh! Will Prof. White tell us why this bigger question is not considered instead of the smaller and less certain one? Why this eternally "straining at a gnat" and swallowing a camel! How can farm mortgages or any other debts be paid with such an ocean of railroad water resting on the people of the State? Will the professor please tackle this question? There are plenty of official figures that are not misleading.

The Liberty Banner (Nogal, N. M.) puts in a point:

An old railroad attorney, presents figures to show that the railroads of Kansas cost to build them \$130,000,000; that the people of Kansas have donated to them \$150,000,000, or \$20,000,000 more than they cost, and the roads earn interest on \$800,000,000. At only 5 per cent this shows that we pay each year thirty-three and a half millions too much to the railroads. Divide this \$33,500,000 by 300,000 the number of families in Kansas, and see how much it costs each one more than public ownership would.

Our Opinion (McPherson, Kan.) is grimly prophetic:

We like to see these fellows who reviled us with so much bad breath a few short months ago now duck their heads and break for cover. It's a sure sign that the deluge is coming.

The Advocate (Topeka, Kan.) taws the mark in the following:

An objection to the sub-treasury bill is made on the ground that if the Government loans money on one kind of property it must on another. Perhaps that is how the farmers come to think of the plan.

Indiana Effects a State Organization.

Pursuant to a call issued by the national authorities, a convention of delegates from thirteen counties in Indiana met at Indianapolis, April 26, for the purpose of effecting a State organization. The rain fell in torrents during the entire morning, and it was 11 o'clock before the delegates were all in. At that hour the convention was called to order by Brother W. Wilson. Wilson Cary, of Madison county, was made temporary chairman, and W. W. Prigg, of Henry, was called to the desk. A call of counties showed thirteen counties present, representing 126 sub-Alliances and a membership of near 5,000. The first Alliance formed in the State was in Marion county, in May, 1880, but there was no active work done until after the St. Louis convention. The progress made by Brothers Peek and Wilson, State organizers, since said convention is very encouraging, and shows the organization to be very active, the people ripe for reform, and the complete organization of the State only a matter of a short time. Following the report by counties Brother Ben Terrell, national lecturer, delivered a very able and logical address, which met the appreciation of all, and brought to the surface the enthusiasm of the delegation.

At 1.30 Brother Terrell brought down his commanding gavel and silence reigned. He announced the business of the afternoon the election of officers. The following is a list of the officers:

President, Thomas Force, Shoals, Martin county.

Vice president, David H. Yeoman, Rensselaer, Jasper county.

Secretary, Willard W. Prigg, Mechanicsburgh, Henry county.

Treasurer *pro tem.*, Willard W. Prigg, Mechanicsburgh, Henry county.

Lecturer, Alonzo C. Burton, Lawrence county.

State organizer, Thomas S. East, Anderson, Madison county.

Chaplain, Rev. Peter Hines, Jasper county.

Doorkeeper, N. N. Springer, Tippecanoe county.

Assistant doorkeeper, D. R. Sorrell, Orange county.

Steward, Charles Durrah, Henry county.

Executive committee—Eli Hodson, Madison county; Wilson Cary, Madison county; James Welsh, Jasper county.

Judicial committee—Kit Forrest, Henry county; Arthur Clinton, Henry county; David Doolittle, Madison county.

The executive committee was instructed to frame a constitution and send it out to the county organizations for ratification. A vote of thanks was extended to Alex. Heron, secretary State board of agriculture, for the courtesies shown and for use of agricultural room. A vote of thanks was extended to Brothers Terrell, Wilson, and Peek for efficient service in organizing the State. By motion the convention adjourned to meet November 25, 1890.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 10.

THE NATIONAL ECONOMIST

SATURDAY, MAY 24, 1890.

TABLE OF CONTENTS.

	Page.
THE SUB-TREASURY IN THE HOUSE (Address of Mr. Macune before the Committee on Ways and Means	145
THE PACIFIC RAILROADS MATTER	152
THE LEGISLATIVE COMMITTEE	152
MR. WINDOM FURTHER EXAMINED	By N. A. Dunning 154
HOW MONEY IS REALLY LOANED TO THE BANKS	153
HOW LIARS GET OUT	157
THE WORK IN KENTUCKY	By Ben Terrell 157
APPLIED SCIENCE	By Dr. M. G. Elzey 156
CIRCULAR LETTER	158
THE REFORM PRESS	159
A NEW PUBLICATION	156
NOTES FROM CORRESPONDENTS	160
FALSE GUIDES	160

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

Harry Tracy in Texas.

Harry Tracy is booked for the following places and dates:
Goldthwaite, Monday, May 26.
Hamilton, Wednesday, May 28.
Lampasas, Friday, May 30.
Temple, Saturday, May 31.

Lecturer Ben Terrell's Appointments.

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

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

SOUTH DAKOTA.

Monday, May 26, Britton, 1 p. m.
Wednesday, May 28, Webster, 1 p. m.
Thursday, May 29, Redfield, 1 p. m.
Friday, May 30, Clark, 11 a. m.
Saturday, May 31, Huron, 1 p. m.
Monday, June 2, Miller, 1 p. m.
Tuesday, June 3, Lake Preston, 7 p. m.
Wednesday, June 4, Madison, 2:30 p. m.
Thursday, June 5, Sioux Falls, 2 p. m.
Friday, June 6, Canton, 1 p. m.
Saturday, June 7, Parker, 1 p. m.
Monday, June 9, Mitchell, 11 a. m.
Tuesday, June 10, Yankton, 1 p. m.

INDIAN TERRITORY.

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

ARKANSAS STATE ALLIANCE.

Following is the official directory of the Arkansas State Alliance:

President—Paul T. Davidson, Holly, Clarke county.

Vice-President—P. B. Adair, Wyman, Washington county.

Secretary-Treasurer—W. B. W. Heartsill, Greenwood, Sebastian county.

Chaplain—J. O. Browning, Dalark, Clarke county.

Lecturer—J. E. Bryan, Fayetteville, Washington county.

Assistant Lecturer—Jno. W. Walker, Hubbard, Washington county.

Doorkeeper—E. E. Morrell, Mulberry, Franklin county.

Assistant Doorkeeper—J. N. Hamby, Colville, Benton county.

Sergeant-at-arms—J. C. Bonds, Dover, Pope county.

State Organizer—L. H. Moore, Alston, Franklin county.

Executive Committee—E. C. Humphreys, chairman, Joan, Clarke county.

W. H. Catching, Colville, Benton county.

Frank Hill, Winslow, Washington county.

W. J. Crawford, Eureka Springs, Carroll county.

A. G. Stanley, Texarkana, Miller county.

OFFICIAL DIRECTORY OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

L. L. Polk, President, North Carolina.
B. H. Clover, Vice President, Kansas.
J. H. Turner, Secretary, Georgia.
W. H. Hickman, Treasurer, Missouri.
Ben. Terrell, Lecturer, Texas.
Executive Board—C. W. Macune,
Chairman; A. Wardall, J. F. Tillman,
Judiciary Department—R. C. Patty,
Chairman; Isaac McCracken, and Evan
Jones.

Legislative Committee—C. W. Ma-
cune and A. Wardall.

President Polk, Secretary Turner and
Chairman Macune are located at Wash-
ington, D. C., the domicil of the order.

ALABAMA.

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

ARKANSAS STATE UNION.

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

ARKANSAS STATE ALLIANCE.

President—Paul T. Davidson, Holly.
Secretary—W. B. W. Heartsill, Green-
wood.

COLORADO.

President—J. H. Brammier.
Secretary—W. S. Starr, Hoelme.

SOUTH DAKOTA.

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

FLORIDA.

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

GEORGIA.

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

KANSAS.

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

LOUISIANA.

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

MISSOURI.

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

MARYLAND.

President—Hugh Mitchell, Port To-
bacco.
Secretary—T. Canfield Jenkins, Po-
monkey.

MISSISSIPPI.

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

NORTH CAROLINA.

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

SOUTH CAROLINA.

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

TENNESSEE.

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

TEXAS.

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

VIRGINIA.

President—G. T. Barber, Bridgewater.
Secretary—J. J. Silvey, Amissville.

NEW MEXICO.

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

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.

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

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

Whereas said history has been endorsed by many of the leading and most eminent members of the order, and

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

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

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

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

Evan Jones, Pres't. 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 Alli-
ance and editor NATIONAL ECONOMIST.

B. H. Clover, President Kansas State Alliance.
S. B. Erwin, President Kentucky State Wheel.

J. B. Quicksall, Pres't. Kentucky State Alliance.
H. W. Hickman, Pres't. Missouri F. and L. U.
R. M. Humphrey, Supt. Col'd National Alli-
ance.

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. F. and L. Union.

H. C. Brown, Sec. Kentucky State Wheel.
Geo. A. Cowan, B. A. Tennessee State Union.

Linn Tanner, Treasurer N. F. & L. U.
J. A. Tett's, 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. & I. U.

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

W. S. MORGAN, - Hardy, Ark.

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., MAY 24, 1890.

No. 10.

THE SUB-TREASURY IN THE HOUSE.

Address of Mr. Macune before the Committee on Ways and Means.

GENTLEMEN: I appear before you in behalf of H. R. bill No. 7162, introduced by Mr. Pickler, of South Dakota, by request of the National Farmers Alliance and Industrial Union, an organization of farmers now extending over twenty-eight States. Mr. Alonso Wardall, of South Dakota, and I represent that order as a committee on legislation, and have in company with us before you to-day L. F. Livingston, pres-ident of the State Alliance of Georgia, who was a member of the committee of the National Alliance that formulated the sub-treasury plan, which the bill in question seeks to enact as law; also, Mr. Ben Terrell, lecturer of the National Farmers Alliance. We are also accompanied by R. M. Humphrey, of Houston, Texas, who is general superintendent of the National Colored Farmers Alliance and Co-operative Union, a very strong organization of colored farmers extending throughout the entire district in which there are many of that race; also J. J. Rogers, supt. Colored Alliance in Virginia and North Carolina.

It is not necessary to try at this time to prove that there is existing in this country a depressed condition of agriculture. The newspapers are teeming with articles which when they do not directly assert this fact seem to recognize it as a general basis for all the discontent and business troubles. It is generally recognized that a depressed condition of agriculture does prevail; even speeches here in Congress have often shown that this fact is acknowledged, and already two or more bills have been introduced with a view of creating a commission for the purpose of making a thorough investigation at public expense during the next twelve months as to the causes of the depressed condition of agriculture. Without devot-ing further time to this feature, I shall take it for granted that a depressed condition of agriculture does exist, and also that since it is recognized to ex-ist, you, gentlemen of the Ways and Means Commit-tee and members of the Congress of the United States, need only the knowledge or belief that such a condi-tion does prevail to be deeply interested in seeking its true cause and thoroughly devoted to the appli-cation of a wise, just, and proper remedy. We be-lieve that you, as the greatest statesmen of this the

greatest nation in this the closing years of the nine-teenth century, are fully alive to the responsibilities resting upon you, and are truly and honestly seeking to discharge them in a manner that will fully meet your obligation to your fellow men and your duty to God. To acknowledge, then, a depressed condition of this great and good element of your constituency is and should be to arouse you to a determined effort to discover the cause and apply a remedy. The simple fact that this depressed condition does exist, is believed to be sufficient to justify its investigation. Without entering into an elaborate examination of the extent or intensity with which this depression prevails, I believe it a true proposition to assert that the intensity of the depression is gradually increasing in proportion to the length of time the conditions have prevailed which cause the depression, and that if the same conditions be allowed to continue the depression will gradually and surely become inten-sified until a climax of some sort will be reached. If this be true, it is proof that the degree of the de-pression depends entirely upon the length of time the depression has prevailed. This branch of the subject is interesting and instructive, in that a simple analysis of it leads one to predict that the present causes, if allowed to continue and intensify, will so depress productive labor that in time it will grow desperate, and, throwing off all restraints, resort to brute force, that negation of all hope which has always resulted in the destruction of existing civiliza-tion at the time in which it was resorted to. It is certainly not very encouraging to look back through the history of the world and note the different con-flicts similar to the one in which we are about to become engaged; I mean the conflict that always has taken place in every country when wealth began to accumulate in the hands of the few and exact tribute from the labors of the many. Wealth never has under such circumstances been intelligent enough to desist from its exactions in time to prevent labor from becoming desperate, and the laborers or producers never have been intelligent enough to by wise legis-la-tive methods compel wealth to desist from its exac-tions, and the consequence has always been that the conditions intensified until, becoming unbearable, desperation has ended in revolution and destroyed both classes, leaving civilization to begin again amid

a common ruin. In this enlightened age we believe both classes to be intelligent enough to adopt wise measures that will prevent the further growth of this tendency toward great inequality that to day threatens the stability of American institutions. As statesmen you must view with alarm the growing ranks of paupers, because you can expect no patriotism or much loyalty to a government from a pauper, and a large class of citizens in whom there is no patriotism or loyalty must ever be a danger and a menace to free government. It is enough, then, to enlist our deepest sympathies and our most ardent efforts in behalf of discovering a cause and a remedy when it is admitted that a depressed condition of agriculture does prevail.

The farmers of the great agricultural districts of the West and South have been for ten years rapidly organizing themselves into the Farmers Alliances, and other organizations, called the Agricultural Wheel, the Farmers Union, and Farmers Mutual Benevolent Association. The objects of the Farmers Alliance are mental, moral, social, and financial improvement. Their meetings, in which they have indulged in discussion, have been largely devoted to the consideration of economic subjects. This depressed condition of agriculture has forced them to confer together in order that they might if possible discover the reasons why their occupation was not only unprofitable, but a losing business. This was but natural, just and right. The country had, twenty-five years ago, been torn asunder by civil war and divided into two sections that had been antagonistic during the conflict. Designing men have, during that whole time, spared no pains to keep up a sectional hatred between these two divisions of territory. Every species of falsehood had been resorted to to play upon the prejudices of one section and cause it to keep up the bitter hatred engendered during the war by conflict. In spite of this the Alliance movement soon developed the fact, which was made known throughout the order, that the same depression prevailed in all sections and depended on the same causes; that Republicans in one section were demanding the same methods of relief demanded by Democrats in another section. This has led to a harmony of feeling, and farmers have laid aside their prejudices to become brothers in a common cause against a common enemy. Nothing has been more potent toward cementing this whole country into one loyal, liberty-loving, patriotic people than this exchange of views between the different sections, that has been brought about by the Farmers Alliance, in which they have discovered that all farmers, as well as all honest men engaged in useful and productive pursuits, belong to one common brotherhood. This has been forcibly demonstrated by the result of ten years' organization, as shown in their last regular annual meeting of the National Alliance, which convened in the city of St. Louis, Missouri, last December, and in which were delegates from twenty-eight States, representing a constituency of over two millions, from the North, South, East, and West, white and colored, all alike acknowledging the same evils to exist, and seeing the necessity for the same remedy. After a careful consideration lay-

ing aside all past prejudices, shoulder touching shoulder as brothers, they agreed upon the cause for the depressed condition of agriculture. In asserting this great truth these men were in earnest, and it is strong evidence that they are correct in their conclusions when they, from all sections of this great country, lay down all their prejudices which have been taught them from their very birth, and uniting solidly and firmly upon one cause as the first cause of the depressed condition of agriculture, assert one remedy as the first remedy necessary toward ameliorating that deplorable condition. Surely such a conclusion coming from such a source is worthy your careful consideration, and should it be poorly expressed and the remedy badly stated, the necessities of the situation are so great that it is believed your superior wisdom will induce you to look over technical defects, and in view of the great objects sought to be achieved, correct and supply them to the end that this deplorable condition may be alleviated.

It is my purpose to take up this bill in sections and treat it as I understand it to the best of my ability. I desire that every proposition I lay down shall be correct, and should it not meet the approval or not be thoroughly comprehended by any gentleman of the Committee, I will cheerfully answer any questions or make any amendments or changes necessary to make my propositions conform to ultimate truth. Before taking up this bill by sections I desire to state that I do not believe, as Chairman of the Legislative Committee, that the order I have the honor to represent is unchangeably committed or attached to the exact provisions of this bill. In a general way they recognize the first cause of the depressed condition of agriculture to be insufficient volume of the circulating medium, inflexible volume of the circulating medium, and the expensive methods by which the government issues money to the people. The recognition of these causes points in a general way to three remedies: first, the increase of the volume of money; second, a flexible volume of money, and third, the issue of money direct to the people, without the intervention of banks, that always cost interest at from five to twenty-five per cent per annum. These are the objects sought to be achieved. If this bill be found after mature deliberation to be impracticable, the farmers do not want it. If it be found to be unconstitutional they would not have it under any circumstances, and if it be found to be a class measure to grant favors to agriculturists as a class, it is not what they ask. You, gentlemen, know that the farmers, as a great conservative element of this country, ask no favors from the government. They do not ask political favors; they do not ask for class legislation. They believe they are suffering from class legislation now, and would not under any circumstances violate the organic laws of the country. They come to you as patriotic citizens, devoted to the good of the general public and the welfare of the government, and simply demand justice and right. They believe a great injustice has been done them by the contraction of the volume of currency of the country at the time when they were debtors. They have gone out upon your frontiers with what little money they could scrape together after the war, and bought wild lands, and using what they had and what they expected to make by five years labor or more to im-

prove that country, made it productive, and helped build up this great nation. But the volume of money being contracted while they were debtors, has reduced the general price of everything, except the debt and the interest upon it, which is a fixed amount in dollars and cents. The contraction has increased their indebtedness probably on an average of over two hundred per cent. This is terrible to contemplate and is an injustice inflicted upon these people by the policy of the government which you cannot overlook, and the howl of the money lender who has grown rich, is no offset to the dignified demand coming from these debtors that the conditions existing at the time the debts were contracted should be again inaugurated.

Another great injustice to farming interests, and one that has never up to this date been recognized, is the injustice of an inflexible volume of the circulating medium. This seems to be made a condition of modern civilization by the wonderful changes in the progressive and economic condition brought about by the introduction of modern improved methods of transmission of intelligence and the rapid transportation of all commodities. Never before in the history of the world has the product of the farm, the day it was prepared for the market, been offered for sale in the great markets of the world. This is an established fact. The farmer

with his bale of cotton in his own door yard, or his wheat in his granary, may offer it by telegraph in New York, Liverpool or Bremen, and actually consummate a sale in a few hourstine. He may go even further than this, and deliver it to the depot, within a few hundred yards perhaps of his house, secure a bill of lading which, being negotiable, is placed in the bank and carry the money home in his pocket. This conditions of affairs would have seemed like the wildest kind of imagination to our grandfathers; that a farmer may sell his produce to day to the spinner in Liverpool, make delivery and receive his money in one day is truly wonderful. It is not to be expected that such great changes in conditions will not be attended with great changes of business methods. It is therefore no surprise when we note that the entire crop of agriculture in this country is within a few weeks' time placed upon the market demanding money, and this demand, which is greater from three to five times than the actual circulating volume of the country, creates a relative scarcity of money at the season of the year in which farm products must be sold. This relative scarcity of money is equal to a decrease in volume which is accompanied by a general fall in prices, and the consequence is that at the season of the year in which the farmer is compelled to sell his produce in order to meet his obligations, which always mature at that season, the contraction of the volume of money, that is, contracted as compared with the demand, produces a depression in prices, thereby compelling the farmer to sell his produce when prices are the lowest. And as the produce becomes assimilated and consumed the volume of money bears a greater relation, money becomes comparatively more plentiful and causes an increase in prices at the season of the year prior to the harvest time, and prices reach a climax on account of the superabundance of money, comparatively speaking, at the season when the farmer is compelled to incur his greatest expenses.

He thus finds himself placed at disadvantage of having to make his expenditures at the season of the year in which general prices are the highest, and sell his products of labor in the season when prices are the lowest. This cuts against him both ways, and is an illustration of the true reason why all other occupations are more profitable than farming, not in this country only, but in all others in which there is an inflexible volume of the circulating medium. The conditions are, however, as above stated, intensified by the improved methods of modern commerce, which have shortened the period of harvest and made the products of labor available immediately when harvested. The remedy for this evil, as pointed out in the bill under consideration, is to keep up throughout the different seasons of the year a true and exact relative proportion between the volume of money and the demand therefor, which is accurately gauged. This will be carried out with certainty by the provisions of this bill, so that there shall be no relative contraction of the volume of money on account of the increased demand when the products of agriculture are marketed, but the volume corresponding to the demand, there will be no fluctuation, and with no fluctuation in volume there will be stability of price. I will not dwell longer on these measures, as I present for inspection a number of pamphlets in which these features of the bill are elaborated fully.

The three evils which are sought to be relieved by the measures advocated in this bill are based on the violation of the economic principle recognized by the organic law of this Government. I refer to that feature of the Constitution which says: "The Congress shall have power to coin money," etc. I believe it is admitted that the reason why the Government should coin or issue the money is that it is one of the most perfect illustrations of a monopoly pure and simple, and a monopoly is a character of business in which there can be no competition, and any business which can not be regulated by the effects of competition is peculiarly in the province of the Government, because if allowed to be exercised by individuals it carries with it power to levy tribute at will, and this could never be tolerated in a free government. We commend, therefore, the wisdom of our forefathers in delegating to the Government, and the Government alone, the power to issue money, but hold that the wise measures instituted by them have been seriously infringed upon by the modern financial policy of the Government by which a privileged class has been established, to whom alone money can be issued, thereby requiring the citizen to apply to this class to secure money, and this privileged class enjoys all the powers and privileges that would attend the monopoly of issuing the coin, because they are at liberty to take as much interest and bear as hard upon the necessities of the people as they choose. That is to say, the Government finding its gold and silver entirely inadequate to perform the business of the country, seeks to supplant this volume by the issue of paper promissory notes based on value, that will insure their redeemability, but consist of no value except its own indebtedness as evidenced by bonds, and even these are not accepted unless they come from a corporation having complied with certain rules and regulations. Without stopping to find any fault with this system, which a large proportion of this country believes to be the best system ever in-

augurated, it is my purpose at this time simply to note that such a system does a great injustice to the general public by discriminating against all other forms of value, no matter how much more potential they may be than Government bonds, and places those who own such value at a disadvantage, because it is not available and must be sacrificed when the necessities of the individual demand the money that must come from this privileged class of middlemen. Without objecting to their privileges, or in any way attacking the principles involved in that system, it is claimed that no good and valid reason can be assigned why at least a few of the most potential forms of wealth should not be rendered available at all times as well as value invested in Government bonds. A moment's reflection as to the impetus and prosperity that would naturally attend any branch of production will show what an injustice the influences now prevalent are. If the products of agriculture were as available for the purpose of commerce and discharge of indebtedness, etc., as Government bonds are, or gold and silver, the prosecution of this pursuit would take on a period of prosperity equal to mining in the search for gold on the Pacific coast in 1849.

This, gentlemen, in a general way is what the agriculturists of this country recognize to be the causes, and they point out the remedy. It is but natural that those engaged in agriculture, making it a study of their lives, should first have discovered and announced the true cause of the depression. It is not to be supposed that the ingenuity of those most deeply interested in this subject, and fully impressed with its correctness, should be fully capable of expressing with accuracy the exact situation, or of defining so as not to conflict with the organic laws of the country and the interests of all other classes, but we present these thoughts as the representatives of this great conservative element, coming in good faith to you, their true friends and honest representatives, asking no favor, but believing we are right, and say to you this is the very best we can do on this important subject, that in our opinion overshadows all others in this country to-day. You see around you on every hand the effects of the depression. We assert here what we believe to be the causes. You are interested as true, wise statesmen in discovering and applying a remedy. We in our inexperience and crude way offer you a remedy that seems to us adequate. We do not insist on any measure in opposition to your better judgment. We submit this and say, if you can improve on it or can in your wisdom find any measure that will relieve the depressed condition, we will say God bless you in your noble work, and will honor you forever and ever. In this connection I desire to state that I recently appeared before the Senate Committee in behalf of this subject, and shall remember always the courtesy extended to me. Many questions were asked, and I am proud to say not one was asked in a captious spirit or to in any way make light of the causes or the remedy. Every question showed a deep interest in the subject and a fervent desire to master all the data possible in connection with it. Should we have made an error and infringed on some constitutional provision of the country, you will discover it and remedy it. Should any man choose to laugh at and discourage this effort, we depend on you to ask him to present a better, and if he cannot to forever after hold his peace. The efforts made in any

good cause, should demand our respect, unless we can show some way to improve on the methods.

Section 1 of this bill provides that when any county of the United States producing a given amount of cotton, wheat, oats, corn, or tobacco shall petition the Secretary of the Treasury requesting the location of a sub-treasury, and shall donate a suitable and adequate amount of land for that purpose, and present evidence that they have by popular election in that county selected a location for the sub-treasury, and elected a manager to conduct the business of the same, it shall be the duty of the Treasurer of the United States to proceed to establish a sub-treasury department in that county which will be a branch of the United States Treasury Department.

There are several features of this section demanding notice. First, it is required that the petition shall be signed by one hundred or more citizens of that county. This is, of course, somewhat arbitrary, but is simply fixed at that number in order to be conservative and to guarantee a sufficient number of the citizens in favor of the measure to show that it is the popular desire in that county. Next it is required that the amount of the products named, wheat, cotton, oats, corn, and tobacco produced and sold in that county per annum for the last two years preceding shall exceed \$500,000 at current prices in said county at that time. This provision is made in the interest of caution and conservatism. There can be no good reason for fixing the limit at that or any other amount except the smallest amount compatible with good management and economy in handling and storing, which can only be demonstrated by experience. The sum here fixed is such as will only establish branches in the larger counties, where it is fair to presume the greatest economy can be secured in handling by the use of machinery and the employment of full time by those engaged in the work. While so cautious and conservative a limit may seem to preclude a large number of sections as worthy, and in which the necessity is as great, it would only be temporary, because the principle once demonstrated to be wise and good in the larger counties, nothing can prevent its speedy extension to the small counties. However, in this connection, the discussion of the subject since the bill was introduced, shows the necessity for an amendment which will extend the provisions of the bill to two or three counties as one district, when they choose to join together for that purpose; that is, where two or three counties could collectively come up to the limit here agreed upon, and could select a manager and make a donation as provided, there seems no good reason why they should not be allowed to avail themselves of this bill. Next, the donation of a suitable and adequate amount of land is required. This is a very necessary and good provision of the measure. It is often argued that buildings erected by the Government cost more than like buildings erected by individuals. If there be any truth in this claim, the donation of land by those locally interested should more than offset the extraordinary cost of buildings erected by the Government. Another feature is the selection of a site or location by popular vote of the county. This seems wise and should settle all dispute, and leave it in the hands of the people where it belongs. Another feature is the election of a manager of the sub-treasury. The bill introduced in the Senate differs from the

bill in question in this respect. It provides that the manager is to be appointed by the Secretary of the Treasury. There is a strong argument in favor of each side. It is not our purpose to decide which is the better policy. We have implicit confidence in the result that will be arrived at by a discussion of the question. But we believe that, everything being equal, the tendency toward increasing the number of officers appointed by the Government should be avoided when possible, and whatever changes are to be made in the offices now in existence, or that may hereafter be necessary, we are in favor of the selection being made by popular vote of the people in preference to appointment by the Federal head. The plan of electing a sub-treasurer to be under the direction of the Secretary of the Treasury may be attended with detail that would not work smoothly, or not be satisfactory, in which event we should not advocate it, but as above stated this system is preferred if as practicable.

Section 2 provides that the owners of product named in section 1, may deposit any of such products in the sub-treasury nearest to the point of their production and receive therefor treasury notes equal to 80 per cent of the net local value of such products, and provides that the local value shall be determined by the secretary of the treasury under rules and regulations which he shall prescribe, based on the current prices in the leading markets of those products, in the United States, and prohibits the deposit of such products as have been imported into this country. A feature of this section is that the product is not required to be from the county in which the sub-treasury is located, but it must be deposited in the nearest sub-treasury to the point at which it was produced. It would therefore be subject to deposit even if the sub-treasury were a half dozen counties away, provided it was the nearest one to the point of production. Again, it could not be sold and shipped to a central point and deposited in the sub-treasury. This prevents the accumulation and speculation to a great degree. If the provisions of this bill are utilized by the owner of the product it must be at the sub-treasury nearest the point of production, and this will cause the product to remain at that point until ready for consumption, no matter how it changes ownership. Another feature is the advance of sub-treasury notes in place of the product received. It is designed by this feature that the government act as a bailee for hire and shall give two different kinds of receipts for the commodities taken in storage. One of the receipts is in the shape of an obligation which is negotiable without endorsement and payable on demand. It is equal to four-fifths of the local value of the product. The other receipt is a receipt for specific delivery of the product placed in storage whenever charges against same are paid and a return is made of the first class of receipts, which, as above stated, are negotiable without indorsement and payable on demand, and therefore circulate and are interchangeable with all other forms of money. It will be seen that there is a margin over and above the notes placed in circulation against the value deposited of 25 per cent. That is to say, the value of the product taken on deposit should be 25 per cent greater than the value of the demand notes placed in circulation against it, and it is held that this amount is fully adequate to cover all fluctuations, and there-

fore to be a perfect security against loss. Another feature of that section is, that the Secretary of the treasury shall prescribe rules and regulations for establishing a local price, such price being based on the leading market prices of the United States. This is a wise and good feature, as it enables the secretary of the treasury to always make the government perfectly safe in the discharge of the responsibility which it assumes. The necessity for excluding imported products is obvious and needs no comment.

Section 3 provides for the preparation by the Secretary of the Treasury of proper and adequate notes for the purposes above mentioned.

Section 4 provides that the treasury notes issued under this act shall be receivable for customs, and shall be a full legal tender for debts, both public and private, and shall be, when held by any national banking association, counted as part of its reserve. This provision seems necessary to make these notes perform the duties assigned to them with certainty and satisfaction. They will have a more potent value than gold certificates or national bank notes, because the very life of the people of this country demands that they must be redeemed in order that the products may be consumed every year. This is absolutely the highest, best, and most potential form of value that can possibly be secured as a basis of redemption. Believing this, it is held there should be no limit to their circulation as a representative of value.

Section 5 provides that the manager of the sub-treasury shall give warehouse receipts when the product is deposited, showing the grade or quality of the product, its amount and value at date of deposit. Also the amount of treasury notes that have been placed in circulation against it, and that the interest or charges for issuing this money be at the rate of 1 per cent, and separately stating the amount of insurance, weighing, classing, warehousing, and other charges that will run against the product, and provides that such warehouse receipts shall be negotiable by indorsement. A feature of this section is that the warehouse receipts shall show the grade or quality of the product. This is an important feature, and is calculated if properly carried out to be of great value to the farmers of this country. It is held by some, since the grading or classifying of these products requires an expert, that the interest of the farmers would be in jeopardy when that duty was assigned to a Government official, either appointed by the Secretary of the Treasury or elected by popular vote. That if appointed it would be a political office and the incumbent chosen on account of his political influence, and not on account of his proficiency in grading the product. That, on the other hand, if elected by the people he would be forced to show favors to his political friends by high classification, and the reverse to his enemies by low classification. In answer to this I respectfully submit that he is made responsible, as we shall see, on his bond for the correct classification of those products. If, therefore, he is not an expert, his pecuniary interest would induce him to employ an expert. Again, his classification is not necessarily the one upon which the farmer would be compelled to dispose of his grain finally, but the one which only approximates value in order to gauge the amount of capital invested in the product that would be available as a circulating

medium. And again, the farmers of this country would have less to fear from the ignorance of a politician who under bond employed an expert, and who was in no wise pecuniarily interested in the result, than they do under present circumstances by which their grain is graded and classified by interested purchasers. In support of this, if necessary, much time and space could be consumed in citing instances of great financial injustice done the farmers by the classing and grading of an interested purchaser. Another feature is that the receipt shows the amount of the product deposited. Possibly an allowance should be made, when the detail of the plan is decided upon, for the loss that always accompanies storage. In cotton, the bale could be identified and the same bale returned when it came up reweighed, and sold by the farmer to the consumer on its actual weight. With grain that was classed and different lots mixed up the return would have to be made either in some grading of amount to a given scale of laws, which could be regulated by custom, thus securing the Government from loss on that account. The feature in regard to the charges for issuing the treasury notes has been somewhat criticised and is perhaps a little misleading, on account of the language used, as follows: "That the interest on money so advanced is at the rate of 1 per centum per annum." We do not believe that this advance or issue of money against the products deposited is in any sense a loan, therefore the word "interest" is here calculated to mislead. Under no circumstances could the money remain out longer than one year, so the charges of putting it out could not be over 1 per centum. The proper construction to put upon the sentence is, that since the money is issued for this purpose, and, as we shall see, when it comes back it is destroyed, there is expense attending it both on account of issue of paper money, handling, book-keeping, etc., that necessarily accompanies it, and this 1 per centum charge should more properly be expressed as a fixed charge than interest on the money. It is the object to issue money upon the same conditions as those controlling the issue of bank notes against bonds, for which the government collects a tax of 1 per centum per annum, but it would not be necessary to so express it in this bill, because the notes would be out for only one year or less, therefore a fixed charge of 1 per centum would better express the idea than the language used in the bill. Another feature is, a proper amount would be allowed for weighing, insurance, and other charges, thus certainly securing the Government against any expense whatever attending the whole business. The last feature of this section, that the warehouse receipts should be negotiable by indorsement, is one of interest and of far-reaching effects. Since its introduction the discussion has developed some features not recognized at the time of making the bill. A notable fact in this connection which has been brought to our notice is the law in a number of States, particularly the South, where the crop mortgage system prevails. The necessity of an advance of supplies upon growing crops has given rise to a system of chattel mortgage that completely secures the person making the advance, and enables him to follow and attach the product when harvested. This feature of the bill would necessarily be in conflict with that custom, because were warehouse receipts made negotiable by indorsement a person hav-

ing a bale of cotton or other product in his possession that practically belongs to his merchant, to whom he pledged it for supplies, or a man having a stolen bale of cotton, if he could deposit the same and secure 80 per cent cash, and receive a receipt which was negotiable, might transfer it to an accomplice, and the title would attach to the holder of the receipt. Against this objection there is one great advantage to be offered, and that is that such a system would at once compel cash transactions, and make the credit business a thing of the past. We believe it would be a good thing if all credit transactions could be stopped, but we realize that any measure compelling so great a change may work a hardship upon a large number of people, and we, therefore, do not desire to insist that the receipts shall be made negotiable, but will be satisfied with such decision upon that point as the committee may prefer.

Section 6 provides that the produce deposited in the sub-treasury may be redeemed at any other sub-treasury at which the holder of the certificate may desire to deposit the receipts and return the Treasury notes outstanding, pay expenses, etc. This is a provision made necessary as a result of negotiability of the receipts, and for the convenience to farmers and manufacturers, because by the provision of this, the farmer could sell his receipt to the manufacturer, who in turn could deposit it with the sub-treasury in the East, and secure orders for the shipment of the product from its western place of deposit. A feature of this section is that it requires all the money received as a return of the Treasury notes in circulation against the products to be destroyed. This is important and necessary, as it prevents excessive inflation of the circulating medium of the country, and acts as a safety valve in keeping the volume equal exactly to the demand. It is the sequel necessary for the complete harmony between the volume of money and the demand for the same—that is to say, the agricultural products of the country constitute an actual addition to the wealth of the nation. They are produced and placed upon the market for consumption, thereby creating a demand for money greatly in excess of the supply. By this plan an addition to the volume equal to their value is made. This addition is made by the Government exercising an evident function of the Government, and as these products are demanded for consumption the volume is reduced, leaving a fixed demand for money of the regular and constant occupations to bear a like and uniform relation to the fixed and constant supply of money based upon the precious metals and the national bank issue, and meeting the fluctuations of agriculture by the fluctuations in volume, thereby securing an absolutely uniform relative volume, and creating the nearest approach possible to stability of price. It is not, of course, supposed that silver and gold certificates, or even silver, gold or national bank money, be returned to the sub-treasurer in place of the Treasury notes issued against the product, that such silver and gold or national bank notes would be destroyed, but that they would be sent to the Treasury of the United States, with full report of the transaction, and he would replace them with Treasury notes to a like amount, which would be so destroyed.

Section 7 provides that the Secretary of the Treasury shall prescribe all rules governing the management, fixing the bond and responsibility, also limit-

ing the salary of the manager to \$1,500 per annum, and provides that he shall be held responsible on bond for weights and classifications of the produce. It also provides for the rejection of unmerchantable grades or kinds of produce, and further provides for the sale at public auction of goods not disposed of in twelve months from date it was deposited, and in case it be sold provides for the reimbursement of the treasury, and the balance goes to the holder of the warehouse receipt. These are necessary provisions that seem to need little or no comment. The necessity for placing the sub-treasurer under bond to guarantee classification and weights would in all probability compel him to sublet that part of the business to an expert, who would do it as piece work at so much per bale or bushel, or so much per pound, and give a good and sufficient bond himself, by the terms of which he would in turn be responsible to the manager of the sub-treasury for weights and classifications. In case it compelled this solution of the question it would become a commercial transaction and remove the political feature above referred to, but it might be subject to another objection. That is, a man so employed would seem to have a premium placed upon a low classification in order to relieve him from responsibility on his bond. This would be fully counteracted by his tenure of office, and that of the manager, who in turn depends by the provisions of this bill upon his popularity with the people, who would protest against too low a classification. These two forces coming against one another would secure, we think, a just classification of products. In the bill before the Senate committee a wise feature is here added by the terms of which it is made the duty of the secretary of agriculture to furnish rules to cover the grading of those products. This could be made satisfactory and exact by a complete system of types to which all classifications should be compelled to agree. Another feature of this section is the limit of the time of deposit to twelve months, because it secures the complete circulation of the entire commodity with each year and prohibits any holding for speculation, and being known in advance it stands as a constant menace against holding to the end of the year, even at the beginning of the season, and this will have a tendency to in a little while produce great uniformity in the sales during the year. Some will recognize at once, and others learn by experience, that no such thing as speculation being possible, and the demand being uniform, exactly one-twelfth should be consumed every month and they would obtain the best prices by so disposing of their product.

Section 8 provides for the erection of government buildings, according to the customs governing their construction.

Section 9 provides that gain arising from any charges shall be accounted for and paid into the United States Treasury.

Section 10 provides that the term of office of the manager shall be two years, to correspond with the term of members of the House of Representatives of the United States Congress; also provides, in case of a vacancy in the office of manager, that one shall be appointed by the secretary of the treasury.

Section 11 provides for the appropriation of the sum of fifty million dollars, or so much as may be necessary to carry out this act. From the best estimate we have been able to make, we do not

think over half that amount will be required or used, and that it would take six or eight years to exhaust that much, but in this connection it is proper to state, as we have already indicated, that the arbitrary limit to any given amount of this kind should not be inflexible, neither should the limit to any given number, or these five products be used only long enough to demonstrate the utility and good effects of this system. These arbitrary limits, as above stated, have been here recommended simply that this machinery may put in operation without mistakes, which are always so expensive. The principle once demonstrated should be extended to all the products of labor not covered by patent that are not perishable under ordinary circumstances during the time they are stored. It should also be extended to the smallest counties and every section and district of the land. Section 12 simply provides for the repealing of all acts in conflict with this one.

In looking back over the history of this country to the most prosperous times ever enjoyed, that of the early settlement of the colonies, we find the governments then of the several States adopted measures similar to these for the purpose of rendering products available, among which are notable instances found in North Carolina and Pennsylvania. In the former products of agriculture were available, and in the latter the lands were made available to secure money direct from the Government to the people. To-day we find Russia adopting a similar measure to this by authorizing railroads to construct and manage elevators under a police regulation. France, in 1848, at a time of great distress, when scarcity of money promised to create a panic, sailed smoothly through her troubles by adopting a system similar to the principles here enunciated. There is quite a series of precedents upon modifications of this principle in the Argentine Republic, but they have not been taking the safe course and conservative restrictions so prominent in this bill, and fail, therefore, to be of much value in establishing the good effects of the system. It may be a surprise to the members of Congress to note the extent and unanimity of indorsement that this measure is receiving from the agriculturists of the country. Petitions are coming in from all sections. Letters from influential constituents are received by many of the members, in which they are plainly told that the farmers understand and want the sub-treasury bill. Probably the truth of this assertion is often doubted, but I assure you, to my knowledge the principles involved in this bill have been brought early to the notice of the agriculturists of the whole country, and have been under discussion for two or three years, and their adoption by the National Farmers Alliance was the result of a spontaneous movement from all sections of the country. This question having been discussed that long by the farmers, it is not strange they are in advance of all other classes in this country in the comprehension of the principles therein involved, and it accounts for the hearty and universal support this bill is receiving from them. I assure you that not a single printed petition has been sent out from this national headquarters of the Farmers Alliance. The bill was sent them with the request that they read and discuss it thoroughly, and express their sentiments upon it, and such expressions as Congress is receiving is the spontaneous expression from the hearts of the people.

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

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

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

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

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

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

THE PACIFIC RAILROADS MATTER.

Some time ago a brief outline of the history of Pacific Railroad legislation was given in so far as it related to the Central and Union Pacific roads, and a statement of the proposed legislation in the interest of these roads now pending in Congress. The Senate committee has reported the Frye bill. The purport of this bill is briefly this: It gives the Central seventy-five years in which to pay its debt, which is to be divided into semi-annual payments, with interest included at 2 per cent. The provisions relating to the Union are similar, except that the period is fifty years and the rate of interest is 3 per cent. The debt due the Government from both roads is something over \$100,000,000. The roads have not encountered much opposition in the Senate, but they seem somehow to have struck a snag in the House committee. Early in the session Mr. Huntington and his attorneys appeared for the Central, and indicated what terms would be agreeable to him. Mr. Charles Francis Adams, the president of the Union Pacific, appeared in person before the committee, and gave a very full and free expression of the needs and wishes of that company.

With the single exception of some very pertinent questions from Mr. Cooper, of Indiana, which it seemed Mr. Adams did not fairly answer, it looked very much as though the bill was to have pretty smooth sailing, and that the interest of the Government in these roads was to be practically abandoned. An exposé was made by THE ECONOMIST, and petitions and remonstrances against the funding bill have poured in upon members of Congress from nearly every Western State, so that when the vote was taken on the bill in the House committee on Thursday not only Mr. Cooper, who it is fair to state opposed the

bill at every step, but five other members of the committee, voted against reporting the bill. Thus the bill goes out of the committee with a bare majority in its favor and a strong fighting minority of the committee against it. The friends of the bill have already despaired of its passage at this session, and are trying to arrange to harmonize matters in the committee by having the committee sent out over the roads on an inspecting tour during the summer vacation. It is conceded that the bill can never pass the House while the committee is divided, and hence this juking trip is proposed. Why should these corporations not pay their debts? The Government gave them land enough in the first place to build their roads, and then loaned its credit to these roads for enough to build them again, since which time the Government has paid interest upon its own guarantee, and is now asked to abandon its claim. Thanks to Mr. Cooper and his associates, this scheme for plundering has been stopped, and the people saved from the disgrace which would attach to such an act of absolute piracy.

THE LEGISLATIVE COMMITTEE.

The Legislative Committee of the Alliance, composed of C. W. Macune and A. Wardall, having been promised a hearing before the Ways and Means Committee of the House of Representatives on Tuesday, May 13, communicated the fact to Col. R. M. Humphrey, of Houston, Texas, superintendent of the National Colored Farmers Alliance and Industrial Union, and President L. F. Livingston, of the Georgia State Alliance, requesting their presence and participation in whatever discussion might be permitted. As arranged, Mr. Macune was heard before the committee on Tuesday and Wednesday, and on Thursday, President Livingston was accorded three-quarters of an hour. Friday, Col. Humphrey was heard by the Senate Committee on Agriculture and Forestry, speaking for his order, representing the millions of colored agriculturists of the country. It is a gratification to be able to present the address of Mr. Macune in this issue. That of President Livingston is not yet copied from the notes of the stenographer, but will be in full in the next issue of THE ECONOMIST, together, if possible, with those of Col. Humphrey and Mr. Wardall.

Altogether the week was a most active one, and it is no exaggeration to say that the interest in the demands of the farmers was not exceeded by that in the tariff, that hoary breeder of animosities and sectional strife. There is reasonable expectation that the sub-treasury bill will be brought before Congress soon after a vote on the tariff, and then it is hoped a thorough discussion will be permitted. The large number of petitions which have been presented have made this probable. The further presentation of the case by Brothers Wardall and Humphrey before the House Committee was made on Saturday, May 17. The members of Congress are now seriously considering, and it is impossible that the appeals of the representatives of the order will be without effect upon the law makers.

HOW MONEY IS REALLY LOANED TO THE BANKS.

An article in THE NATIONAL ECONOMIST not long since entitled "How Money is Loaned to the Banks," was evidently well aimed, as it brought out the following letter from the secretary of the American Bankers' Association. The secretary uses a letter-head showing the name of the association to be "The American Bankers Association," with office at 128 Broadway. It also gives the following list of officers:

President, Charles Parsons, President State Bank, St. Louis.

First Vice-President, Morton McMichael, Cashier First National Bank, Philadelphia.

Chairman Executive Council, John Jay Knox, President National Bank of the Republic, New York.

Treasurer, George F. Baker, President First National Bank, New York.

Secretary, William B. Greene, 128 Broadway, New York.

After such an array of prominent men none can doubt that the organization in question is indeed the very highest authority upon bank matters, and most thoroughly devoted to sustaining the position and interests of the banks on all questions. This being the case, the letter of the secretary of that association to the secretary of the National Farmers Alliance and Industrial Union becomes an important document. It is but fair, however, to conclude before reading the letter, that every point made by THE ECONOMIST in the former article referred to that is capable of being successfully controverted will be denied, and every point favorable to the banker's side of the question will be affirmed by this greatest of all champions of bank methods:

New York, April 24, 1890.
J. H. Turner, Esq., Secretary National Farmers Alliance
and Industrial Union, Washington, D. C.

DEAR SIR: I inclose you herewith some comments on an article which appeared in "THE NATIONAL ECONOMIST," which I notice is the official organ of your Union, on March 22, 1890. I believe that the Alliance would gain more by advocating the national banking system than they will by opposing it.

I inclose you, with the communication, which will explain itself, a copy of the interview of the Hon. John Jay Knox with the Banking and Currency Committee.

Very truly yours, Wm. B. GREENE, Secretary.

After quoting in his comments the five propositions contained in the article referred to, the secretary says:

The first statement refers to the issue of circulation by national banks. A bank at the present price of bonds must pay for \$100,000 four per cents \$122,000, which is deposited with the United States Treasurer, and on which the bank is allowed to issue \$90,000 in notes. These notes are printed by the Government, but the preparation of the plates and the expense of printing are paid by the bank. The bank officers must sign the notes before they are put in circulation, and the bank is responsible for their redemption.

The Government guarantees their payment because the bank has deposited with the United States Treasurer collateral worth in the market, at present prices, 32 per cent more than the amount of the notes issued. The bank, moreover, pays to the Government 1 per cent per annum on the amount of the notes as a tax. Banks loan money say at 8 per cent. This depends on the locality, but admitting 8 per cent to be the average rate, a bank paying \$122,000 for \$100,000 in 4 per cent bonds is investing \$122,000 at about 2.40 per cent per annum, losing every year on \$122,000 the difference between 2.40 per cent and 8 per cent, or 5.60 per

cent. On \$122,000, or 5.60 per cent, is \$6,832. To make up this loss the bank circulates or loans \$90,000 in notes at 8 per cent, or \$7,200. From this must be deducted the 1 per cent tax, or \$900, leaving \$6,300. There is thus a plain loss of \$532 per annum in taking out circulation. This loss is increased by expenses of preparing, transporting and redeeming the notes, all which must be paid by the banks.

The above contains not only an error in calculation, but contradictions regarding the plain provisions of law. While it is true that 4 per cent bonds are at a premium of 22 per cent, it is nevertheless a fact that this condition complained of was brought about by the influence upon Congress of this same bankers' association and its co-operators, and is, therefore, simply a matter of retributive justice.

The facts are these—

1. The printing of national bank bills and the preparation of plates are not defrayed by the banks in addition to the 1 per cent on circulation as claimed. Section 5173 of the Revised Statutes provides:

SEC. 5173. The plates and special dies to be procured by the Comptroller of the Currency for the printing of such circulating notes shall remain under his control and direction, and the expenses necessarily incurred in executing the laws respecting the procuring of such notes, and all other expenses of the bureau of the currency, shall be paid out of the proceeds of the taxes or duties assessed and collected on the circulation of national banking associations under this title.

2. The banks are not responsible for the redemption of their notes. Section 5413 of the Revised Statutes declares:

The words obligations or other security of the United States shall be held to mean all bonds, certificates of indebtedness, national bank currency, etc..

If this means anything it is that these notes are Government securities, and the Government alone is responsible for their redemption.

3. One hundred and twenty-two thousand dollars paid for \$100,000 4 per cent bonds at 8 per cent interest is.....	\$9,760
One per cent interest on \$90,000 circulation.....	900
Total expense.....	10,660
One hundred thousand dollars at 4 per cent interest	\$4,000
Ninety thousand dollars at 8 per cent interest... ..	7,200
Total receipts.....	11,200

Balance of profit \$540 instead of a loss of \$532 as stated. This example is calculated by the rules of plain people's arithmetic, and is undoubtedly correct. But apply the same process employed in the letter, correcting the mathematical error, and the same results will be obtained as follows: A bank paying \$122,000 for \$100,000 in 4 per cent bonds is investing \$122,000 at about 3.278 per cent (and not at 2.40 per cent) per annum, losing every year on \$122,000 the difference between 3.278 per cent and 8 per cent, or 4.722 per cent. On \$122,000, 4.722 per cent is \$57.60. To make up this loss the bank circulates or loans \$90,000 in notes at 8 per cent, or \$7,200; from this must be deducted the 1 per cent tax, or \$900, leaving \$6,300. There is thus a plain gain of \$540 per annum.

num, and not a loss of \$532 as erroneously shown in the letter.

The banks would certainly do great violence to all their previous teaching, and bring a lasting reproach upon their species if they should continue to issue currency to the people at a loss to themselves. The law does not require this sacrifice. It is not obligatory on any bank to issue one dollar of currency. When done it is of their own volition. Many national banks have never issued any currency at all. A national bank is required to purchase and deposit with the Secretary of the Treasury bonds to the amount of one-fourth of their capital stock actually paid in. It is the alleged Government supervision, and the prestige which that brings that the banks are contending for. It is not so much that they want to issue the currency themselves as that they do not want any one else to issue it. It is not the kind of currency that these corporations object to, it is the amount of such currency. All of this difficulty arises from this one fact that the American Bankers' Association, together with kindred associations in other nations are determined to control the volume of money and thereby dictate the reward of labor in production. They are contending for each and every measure that will enable them to hold within their own grasp those conditions which confer upon money the power to oppress. It was to strengthen such conditions that this misleading letter was written.

Again he says:

The second statement refers to deposits of public money with the national banks. Of late years the revenues of the United States have exceeded the expenses, and bring more money—gold, silver and paper—into the Treasury from day to day than is paid out. There is consequently a tendency to accumulation of money by the Government at the expense of the circulating medium of the country. As a means of putting this money in circulation safely, the Government, according to law, has deposited some of the accumulative surplus with such of the national banks as desire to put up the security required. For a deposit of \$1,000,000 in public money the Government requires a deposit of \$1,000,000 of 4 per cent bonds. These 4 per cent bonds are worth \$1,220,000. Therefore, a bank accepting this deposit has to invest \$1,220,000 before it can obtain \$1,000,000. At 8 per cent \$1,220,000 will bring in \$97,600. After investing in bonds the bank receives 4 per cent on \$1,000,000 bonds, or \$40,000, and 8 per cent on \$1,000,000, or \$8,800, a total of \$128,000, or a profit of \$30,400, about 2½ per cent on the investment of \$1,220,000. On the other hand, there is the risk run of loss of premium while the bonds are out of the hands of the bank. In fact, many of the banks that received Government deposits paid 126 for bonds now worth but 122, losing premium equal to the profit for nearly two years.

There certainly must be a very great error in the above statement. For example, the bank would have but \$1,220,000 invested, and would receive interest on \$1,000,000 deposits and \$1,000,000 in bonds. \$1,220,000 at 8 per cent is \$97,600
\$1,000,000 at 8 per cent is \$88,000
\$1,000,000 bonds at 4 per cent is 40,000
..... \$128,000

It is not the difference between these two amounts that the banks obtain on their investment, but the whole \$128,000, which is almost 10½ per cent interest. Since they can be returned to the Treasury at

any time the risk on account of a reduction of premium on the bonds is hardly worth mentioning.

After admitting the truth of the remaining propositions, and giving some very unsatisfactory explanations which are not worth the time to review, the Secretary concludes by giving some impracticable advice to the members of the Alliance, thereby disclosing a greater want of knowledge concerning labor in production than is accorded to men of such high financial standing. Practically no point made by THE ECONOMIST is refuted or denied. The argument seeks merely to modify the conclusions by modifying the force of the conditions on which they depend. In fact, this great banking association, the most powerful of its kind in the world, after investigating the statements made by THE ECONOMIST is compelled to acknowledge their correctness. When a discussion of this character is engaged in, with the highest financial authority of the country on one side and an earnest desire to ascertain the truth on the other, the people are quite certain to obtain correct information. This letter is a sure indication of progress, and an acknowledgment that the financial ideas of the people are being properly directed. It is hoped and confidently expected that the result of this will lead to better and more liberal legislation upon this subject. It proves that even this important financial association is not oblivious to the fact that the average citizen is making a thorough investigation of their purposes and methods.

MR. WINDOM FURTHER EXAMINED.

BY N. A. DUNNING

The usual method of ascertaining the amount of currency in circulation is to deduct the amount in the United States Treasury from the estimated amount outstanding. In this manner all the lost or destroyed currency, together with that which may be hoarded, or for any other reason held from the channels of business, is made to appear as being in circulation. It is also the custom to make deductions from this estimated volume in circulation when the actual amount among the people is to be approximated. I consider this method both defective and confusing. The amount of currency held in the Treasury is always made up of numerous funds, which embrace such a variety of accounts that it is impossible for the ordinary mind to keep clear on its interminable divisions, sub-divisions, and transfers. For this reason I have taken the estimated amount of gold, silver, and paper currency outstanding and made that the basis of my deductions, and not the amount given as in circulation. In pursuing this course the question of what fund certain amounts of currency belongs to cuts no figure. The only object is to locate it somewhere, regardless of its being gold, silver, or paper, or for what purpose it may be held from circulation.

Mr. Windom admitted before a Senate committee recently that a considerable portion of the currency in apparent circulation was really withheld from use among the people to protect various trust funds and reserves. He omitted, however, to state the amount withdrawn or where held. It is a mistake for the Secretary to assume that my estimate of the amount retained in the Treasury was subtracted from the estimated volume in circulation, because the deduction was made from the amount said to be outstanding. He also says "the total amount of money in the Treasury of the United States on April 1, 1890, was \$666,645,261." This statement can not be correct, because in giving the items which make up this vast sum of money he includes \$77,143,028 of gold and silver bullion. He might with equal propriety claim that so much pork, or wheat, or any other commodity is money as this hoarded bullion. After deducting this bullion, the amount of currency shown to be in the Treasury by Mr. Windom substantially agrees with the estimate I have given, and leaves no room for an argument upon that question.

With reference to the amount held as bank reserves, Mr. Windom says:

I have to say that the total amount of money actually held by the national banks February 28, 1890, was as follows:
Specie \$181,546,137
Legal-tender notes 86,551,602
Certificates of deposit for legal-tender 8,630,000

Total \$276,927,739

This statement is certainly evasive, as it is not the amount of currency in the vaults of the banks that is being discussed; it is the amount that the law requires shall be held as a reserve fund. Upon this point, where he, of all Government officials, should be plain and explicit, he is absolutely silent, and throughout his entire communication not a single expression is ventured upon this important branch of the subject under discussion. In fact, Mr. Windom does not dispute my estimate of the amount of reserve held by the banks. He simply quotes a portion of the laws governing reserves. In this connection he gives some valuable information. He presents the inside workings of the national banking system in a manner that must convince every one that it has been reduced to a science, and that by legislation and rulings they are enabled to utilize their deposits to the utmost limit. He very completely explodes the pre-conceived idea that has obtained among the people that these institutions offer any additional security to depositors, and seems to fully establish the fact that such fancied security may be hereafter considered as pure fiction.

It is a matter of record that the banks, as a rule, violate the law requiring a reserve almost universally, and it is therefore unfair for Mr. Windom to plead

this violation of the statutes as an argument against my statement of the amount of reserve that should be held.

The Farmers Alliance is asking for an increase of the volume of money sufficient to meet the demands of trade, without forcing any individual or association to become criminals in order to comply with such requirements. In the statistical abstract for 1889, page 28, Table No. 26, is headed as follows:

Amount of the cash reserve held by the national banks, also the whole amount required to be held by them.	\$245,026,709
October 5, 1887, cash held in banks	278,035,273

October 4, 1888, cash held in banks	\$268,152,277
Amount required to be held	311,959,161

September 30, 1889, cash held in banks	\$264,023,542
Amount required to be held	333,111,465

This discloses \$60,088,123 less held as a reserve fund by national banks at that date than the plain provisions of law required. Doubtless their condition in this respect is no better at the present time.

Mr. Windom further says:

In regard to the further alleged contraction of the currency by the reserves held by State banks, private banks, and trust companies, I would say that I do not know of any law requiring private banks to keep any reserve. Possibly State laws require incorporated banks to keep a certain percentage of reserves, but such requirements would only apply to incorporated banks.

The returns from 1,671 State banks, 1,324 private banks, and 969 savings banks and trust companies, Comptroller's Report, page 80, give \$2,334,272,433 in deposits. The laws governing such institutions differ with different States. Some require more reserve than others, the range being from 10 to 25 per cent of deposits. An estimate of 10 per cent, therefore, would be very conservative, and give \$233,427,242 as a reserve fund. As to the amount held by the 3,647 banks not reporting, I still hold to my original estimate of \$54,705,000. These two last amounts estimated, added to the amount which the law provides shall be held by national banks, \$333,111,465, make an aggregate of \$611,243,707 held as a reserve fund by the banks and trust companies.

There are but two points remaining for consideration:

1. Is this amount too large?
2. Is it taken from circulation?

Senator Plumb places this amount at \$700,000,000, and Secretary Windom knowing of this statement has made no attempt to correct it. In fact, nowhere in his letter does the Secretary undertake to show either the amount held by the banks or the amount in his judgment required.

Senator Sherman in a recent speech said:

Can any one with a knowledge of the fact that we have in the course of the year to disburse some \$400,000,000 suppose that \$10,000,000 as a working balance would be all sufficient? If any bank should maintain on hand, for the redemption of current deposits or any other form of liability coming in, at least 25 per cent of the amount, even that would be con-

sidered very close banking. The Government of the United States requires no such sum, but it does require a much larger sum than \$10,000,000 as a working balance.

With the experience Mr. Sherman has had in the banking business, his judgment is certainly entitled to consideration. But perhaps the most convincing argument that can be adduced is the position Secretary Windom and his predecessors have taken in regard to the redemption of the greenbacks. On hundred million in gold has been, and is now being held to redeem \$346,000,000 of legal-tenders. This reserve of 28 9-10 per cent is deemed necessary for the safety of the public credit, and is therefore a guide as to the amount required to keep private credit from being doubted. If 28 9-10 per cent is required by the Government to protect the redemption of these greenbacks which the law of May 31, 1878, says shall not be redeemed, surely an estimate of about 15 per cent is not too large for the protection of private or corporate business. Either Senator Plumb is mistaken, or Senator Sherman errs in judgment, and the Secretary and his predecessors have acted unwisely in the administration of the Treasury, or my figures must stand. It is difficult for me to determine how a certain amount of currency held for a special purpose, either by law or the dictate of business prudence, can be considered as acting in a contradictory and opposite capacity. When the reserve fund of a bank reaches the legal point, discount and consequently a further service to the people must cease. And no matter how often this fund may be changed as regards denominations or kinds, the amount must not go below a certain sum. I shall, therefore, contend that a reserve fund is so much of the amount outstanding that is located in the vaults of the banks, and as a consequence not in circulation.

MR. FRANCIS G. NEWLANDS, in a letter to Secretary Windom, attacks the proposition to make silver the basis of issue and not money:

Permit me to illustrate.—Suppose the Government were to establish Government warehouses for wheat, or cotton, or potatoes, or corn, and should provide for the purchase of such products at their market value, and the issue of Treasury notes therefor, payable in gold or redeemable at the option of the Government in wheat, or cotton, or potatoes, or corn, at their market price in gold—would you call this making use of these commodities as money? Would not the only money be gold, and the wheat, cotton, corn, and potatoes still be mere commodities with prices in gold fixed according to the prevailing market. In such an event a Treasury note of \$1,000 would be simply a call for one thousand gold dollars' worth of wheat, or cotton, or corn, or potatoes. So in your bill, a Treasury note of \$1,000 would be simply a call for a thousand gold dollars' worth of silver bullion. I say that by your bill you propose to absolutely demonetize silver, to reduce it to the level of a mere commodity, and to make this a monometallic gold country.

If this discussion be continued long, the people will learn what money really is.

A New Publication:

Cæsars Column, by Edmund Boisgilbert, M. D., 12 mo. bound in extra bellum cloth, \$1.25; published by F. J. Schulte & Co., Chicago, Ill., is a story of the twentieth century, in which the author succeeds in making practical illustrations and deductions as to what will be the result of present methods if allowed to prevail and continue. The result is truly horrible, but none the less useful to contemplate, and therefore the work is a valuable addition to the reform literature of the day.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

TYPHOID FEVER AT THE VIRGINIA AGRICULTURAL COLLEGE.

According to reports published in the Baltimore Sun and elsewhere, typhoid fever is prevailing to a serious degree at the Virginia Agricultural College. The current issue of the Sun states that General Lomax, the president of the college, denies a report that the institution is closed in consequence of the fever, and states further that only one case has occurred not of a malignant type. There is no certainty whether General Lomax made such a statement. Whether malignant or not, the student died, and in a paragraph immediately below, the Sun chronicles the death of the professor of chemistry, cause not stated. There is a general agreement among modern sanitarians that typhoid fever is a strictly preventable disease. In this view of the case it would seem that a college is bound to prevent such an outbreak. It begins to be time now that law should hold such institutions bound to provide for skilled sanitary inspection and advice. The charter of a college should contain a requirement that a skilled medical inspection shall be made at stated periods and the sanitary recommendations be strictly complied with, and for all failures or refusals to remedy defects reported by the sanitary inspectors the officers should be held accountable. Indeed, a State Sanitary Commission or Board of Health might reasonably be required to examine and report for publication the sanitary condition of all universities and colleges or other boarding schools, and the counties be required to provide for a similar inspection and report upon the condition of the public schools. In this country we are behind the age in these matters. A reckless disregard of the safety of the public health is a marked and a very shameful feature of public administration in the United States. In London, a very old and very great city, the death rate has been brought down by scientific sanitation until it is at present much below that of the very new and small city of Washington. We are wholly uninformed of the condition of things at the Virginia college. There may or may not be, exaggeration of the matter, but if that college be not in a sadly insanitary condition, it is entitled to the motto "*e pluribus unum*," out of many which are, one which is not.

HEREDITY.

A curious case of the transmission of an acquired trick has recently passed under the observation of the writer. Dr. Murray's Black Hawk, a well known stallion of the famous Black Hawk branch of the Morgans, had the curious habit of rearing against the wall of the stable, and standing with his fore feet against the wall. This trick he sometimes practiced by throwing his fore feet across the halter strap, which held him up in the rearing position while he swung back and forth for hours together. We have heard, but can not personally vouch for the fact, that Hill's old Vermont Black Hawk, the originator of the family, and sire of Dr. Murray's horse, had the same trick with the halter. The writer owns a stallion, a grandson of Dr. Murray's horse, which has the trick, and we recently ascertained that a filly, a

daughter of this horse, has in like manner inherited it. We have never heard of any other horse having this habit. If it be authentic as regards Hill's horse, then we have four generations; if not, then the trick acquired by Dr. Murray's horse has been transmitted to two generations, the last being the most aggravated. This is not only a wholly unusual, but also, apparently, a purposeless and unnatural position for a horse to assume.

Here is a question for the Darwinians. Is this a case of natural selection and survival of the fittest, showing that we are about to have a race of horses, like men, walking erect, or jumping about like kangaroos and certain mice? We believe not, and we believe, moreover, men never went on all fours. We suspect that men always walked erect and kangaroos always jumped on two legs, whereas ground-hogs always stood on two legs as often and as long as suited their purposes. Neither do we think the Darwinian system of hypotheses throws any light on the question how these things came to be. Notwithstanding the enormous mass of particular facts collected by Darwin, many of them most curious and entertaining, we do not believe that he himself, nor any other person, has succeeded in establishing from the whole mass a single valuable and important generalization. It is not too much to say that no scientific writer has successfully formulated the laws of heredity. We know what was known as long ago as Moses, viz., that living organisms bring forth, each after its kind, and that individuals sometimes transmit and sometimes fail to transmit their individual traits, and of the how and why we know nothing.

HOW LIES GET OUT.

The newspapers opposed to the purposes and plans of the Alliance, unable to present argument, resort to misrepresentation. It is annoying, to be sure, to be assailed by a correspondent for whose statements it is probable the editor who publishes can deny responsibility when taxed, proffering, perhaps, the use of his columns for counter statement. The lie has had its effect, and when the traduced man would seek justice justice has become impossible. The only hope the man so assailed has, is that the people who read will demand proof. In that hope THE ECONOMIST is strongly entrenched. It, and its management, can but rest assured that the members of the Alliance will not judge without investigation. It is impossible to meet every falsehood originating in any irresponsible newspaper. These charges of party subserviency frequently meet and refute each other, as their inconsistencies at once show their untruth. What is said by the Democratic papers quoted below is changed in the Republican States to make it appear that THE ECONOMIST is the creature of Democratic boodle. The last and grossest libel brought to notice is going the rounds in the South, credited to the Oxford (Miss.) Eagle:

It is being publicly charged that Mr. Macune, the man running THE NATIONAL ECONOMIST newspaper, is doing so with nearly \$300,000 Republican boodle behind it. A special dispatch from Washington to the Memphis Commercial of April 22d, says that a paper published at Macune's home in Texas, freely charges the above fact. It is further stated that at a meeting of one of the committees in Congress on the sub-treasury bill Macune remained with the Republicans of that committee after the Democrats had left. This looks a little suspicious. If THE ECONOMIST is a wolf in sheep's clothing our farmers want to know it.

THERE IS NO more use for Congress to contend against the free coinage of silver than there was for a certain individual mentioned in scripture to "kick against the pricks." The Alliance at the meeting in St. Louis demanded the free coinage of silver. It voiced the wishes of the people then, and nothing less will satisfy them now. All this maneuvering to demonetize silver and thereby make the debts of the country again payable in gold is pure nonsense. The people will not stand and Congress dare not do it. The scheme to force a compromise so that certain riders may be attached to the bill granting further privileges to the banks will hardly materialize, because the people are on the alert, and are rapidly learning their own strength and the cowardice of the average politician. Quit scheming and plotting and go to work for the interest of the people.

The Work in Kentucky.

BY NATIONAL LECTURER BEN TERRELL.

I commenced my work in Kentucky at Clinton, April 2, and finished at Mt. Sterling April 16. I was accompanied through the State by Bro. Erwin, the genial president of the State. We had a large audience to meet us at all appointments, and found much interest manifested in the Alliance. The farmers are becoming aroused, and are awakening to the necessity for action. The order is in good shape in this State, and is spreading with great rapidity. So far, they have, as a rule, kept free from partisan politics, and have preserved their unity. I find their organs fairly well supported. The Labor Journal (the State organ), edited by Brother Winn and published at Fulton, has about 2,000 subscribers, and the Kentucky State Union, established by committee of State Union on organs, published and edited by Bro. S. B. Erwin under the control of the executive committee. Though just commenced, it has a circulation of about 1,500. Many other papers are in sympathy with and freely open their columns to the Alliance. There is but little friction between merchants and the members of the order, and I believe that to be fast dying out, for as it becomes better understood they see if its efforts to benefit the farmer financially are successful they will be benefited also. I hope to see the day when not only farmers but all of the good citizens will awake to the true condition of the country, and be true and brave enough to lay aside sectional and partisan considerations and demand at the hands of our law-makers a government of the people, for the people, and by the people, and not as it is dictated by the corporations. No one could go with me through Kentucky and not see and feel that a great revolution is taking place in the minds of the people. Organization and education are having their effects, and there will be more votes cast at the next congressional election for measures than ever known before. The sub-treasury plan, wherever I have explained it, has been fully endorsed, and it will be an issue in the next election. The farmers are determined to have relief, and will demand that their representatives vote for this bill or give them something better, and they will vote solidly against those who do not, regardless of what party they may belong to. I never have seen such unity of opinion as I meet here in favor of destroying all sectional and party prejudices,

uniting from Dakota to Texas as one man for the advancement of our common interests. There has been more accomplished by the Alliance in that direction since the St. Louis meeting than the most sanguine could have hoped.

It must gladden the hearts of all lovers of our country to at last see the scales falling from the eyes of the people, and instead of opposing each other without reason they are sitting in counsel for the common good, without regard to whether they wore the blue or the gray, or belong to one or the other of the political parties. You may look for a good report from Old Kentucky, and at the general roll call she will be there. I met Brether Browder at Russellville, and arranged to have a meeting with the executive committee, of which he is president, at Mt. Sterling. He joined me again at Shelbyville, and went with us to Winchester and Mt. Sterling, where we met Brothers Pryor and Robertson, the other members of the committee. I wish to say to the brethren of Kentucky that the only hope of success is unity, and that can only be maintained by obedience to the majority. You must have discipline, elect always your best men to office, and then sustain them. If they do wrong, there is a course marked out by your constitution; follow that and hold all equally responsible. Do not allow members of the Order to exhibit their differences to the outside; they have a plain duty to perform to settle their differences in the Order, and he that will not do so and abide the decision of the brothers is the most dangerous enemy your Order can have. Obey your officers, or appeal from them to the proper authority, and that in a brotherly spirit, simply to know the right and not to create dissension, or from spite, captiousness, or self interest. It is much better to look first to the success of the Order, and bend all your efforts in that direction. You have grave responsibilities resting on you, and you should meet them like brave men. The welfare of your country, your home, wife and little ones, do they not appeal to you strong enough to cause you to forget personal ambition, to lay aside everything that would hinder success and make any sacrifice, that we may bequeath to our children conditions more just and remunerative than those under which we labor?

Circular Letter.

To the members of the Farmers Alliance and Industrial Union of America.

At the request of the officers of the National and many of the State Alliances, I have prepared and herewith present a plan of co-operative fire insurance to be carried on in connection with the National Alliance Aid Association. The intention being to furnish our members with an absolutely safe fire protection at lowest possible cost, handled and controlled by our own members, and in the interest of the Alliance. Proposed name, National Alliance Fire Insurance Company, headquarters, at most convenient central point, department in each State under State agent, with general supervision of State Alliance Executive; lowest rates compatible with safety charged, and all surplus, after paying losses and expenses, to be returned to policy holders. To conform to the laws of the various States, and avoid any complications arising from the hostility of other companies, it seems to be necessary to raise a capital of \$200,000, as a large number of the States require that amount as a condition precedent to securing authority to transact

business therein, but as that will give greater stability and confidence, and as it will, when loaned out, largely pay its own dividend, it will not interfere to any appreciable extent with the mutual character of the company, as in the vast business we can transact with our two and a half or three millions of members a three or four per cent dividend on that amount of capital would be more than offset by the advantages it would give us. We ask all our friends who feel able, to take one or more shares of stock in the new company. The shares will be \$100 each, cash; and we can guarantee 7 per cent thereon, payable annually, as the money can be safely placed at that figure, upon unquestioned real estate security worth two to three times the value of the loan, and if the business is extensive enough to warrant it and the management think advisable 3 per cent additional may be paid, but under no consideration any more. Subscription blanks can be had at office of THE NATIONAL ECONOMIST, 511 Ninth street N. W., Washington, D. C., or at office of the Great West, 758 Wohosko street, St. Paul, Minn., or at office of Alliance Insurance Department, Huron, South Dakota. It is desirable that a few thousand dollars be taken in each State, so that all will feel an interest, and the stockholders of that State should have the selection of the State Agent, subject to approval of State Alliance, and they would also constitute a local board for that State. Individuals, or local, or county Alliances, or State Alliances, are invited to subscribe for the stock. Subscriptions can be made, accompanied by 5 per cent cash, or a certified check for that amount, to be held until \$100,000 is subscribed, when a call will be made for the other 95 per cent, \$100,000 being already pledged. If the plan is not completed by the first of September, 1890, the subscriptions and money will be returned. The money can be sent in trust, to be held for that purpose, to Second National bank, Washington, D. C., Germania bank, St. Paul, or Huron National bank, Huron, South Dakota, to whom we also refer as to our responsibility. We can readily secure the money from capitalists, but much prefer it from our own people, or at least a controlling interest therein, and there are plenty of farmers with small amounts seeking safe investments, who will be satisfied with moderate returns. Farm insurance, if managed with any degree of care and economy, is absolutely safe, the history of all purely farm companies showing that their losses were but a small part of the usual premiums charged. WE ARE USELESSLY SQUANDERING HUNDREDS OF MILLIONS OF DOLLARS in our various lines of insurance that can and ought to be kept in our own pockets, and we want your co-operation in doing it. So certain are we of success in securing the stock that we have concluded an arrangement with a safe and reliable company already in the field, to purchase their charter, and that enables us to commence business at once, and we propose to establish State agencies in every State in the Union upon the plan outlined, and commence business immediately. Officers and business agents of all the State Alliances are requested to correspond with either of the above parties at earliest convenience. Fraternally yours, ALONZO WARDALL.

Huron, S. Dakota.

Member of Ex. Com. N. F. A. & I. U., and Pres. of Alliance Insurance Dept.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

In its desire to make prejudice in favor of the proposed raid upon the States of the South by Massachusetts Congressmen, the Boston Journal announces that:

The Georgia Farmers Alliance is endeavoring to pledge every candidate for the legislature to vote to so amend the Georgia constitution that taxes paid by the white citizens shall be used exclusively for the education of white children, thus throwing the colored people back on their own resources.

The Charleston (S. C.) News and Courier accepts the charge without question, and for the purpose of making its point comments:

The Georgia tax-payers, and the Southern tax-payers generally, have contributed millions of dollars for the education of the colored children in the South, but they have little reason to be satisfied with the results of their generosity so far, and the contributions will cease suddenly and for good so soon as the Democratic contributors become convinced that their money serves no better purpose than the education of black Republican voters.

Both papers published the matter knowing it a lie, aiming each for a mean advantage for its party, and caring nothing for the misrepresentation to the Alliance. Pah!

The last two issues of the Great West (St. Paul, Minn.) have devoted much space to clearing up the fogs about the wheat market, which it does in splendid style. It effectively settles the fact that the western farmers had a big grievance against the elevators, and shippers of wheat, its expose being complete. The Great West says:

A large number of the country merchants are continually harping about "carrying" the farmer! Carrying his credit is probably understood by this. Now this howl is overdone. There are but few farmers receiving credit for over three months at the country stores, and a ninety-day time is no unreasonable period at all. Of course there are a few old scores on every book.

The Dakota Ruralist (Huron) announces the call of a meeting of the State Alliance of North Dakota at Jamestown, June 4. The Ruralist says:

Too late to find room this week, we have the details of the arrangement by which money will be loaned to Alliance farmers at 8½ per cent interest and no commissions. Now let the members of the legislature who beat us on the usurpation get ready to explain.

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

We believe it was the tyrant of Syracuse who made his laws, hung them so high above the gates of the city that no one could read them, and then punished his subjects for their ignorance of them. The statutory laws of this State have become so complicated that even those versed in the law can not frequently agree as to what their literal meaning is. Now, in all candor, are they good and honest law-givers who thus impose upon the people? Are they any better than the tyrant?

The Washington (Kan.) Republican says:

We favor both the sub-treasury plan and the loaning of Government money on real estate. The former, however, has this great feature about it: It will be a god-send to the half-million renters in the country, many of whom have lost their farms because they were unable to hold their crops until they could realize a price above the cost of production.

The Monroe County Watchman (Union, W. Va.) says:

Those who aspire to the house of delegates and State senate, and to the United States Congress from this section of West Virginia, this year, may as well make up their minds to answer certain questions which will be propounded to them by the Farmers Alliance. These will be of a very practical sort, and will require plain answers. It is not proposed by the Alliance to go into politics any further than to see that such legislative reforms as the agricultural interests

demand are enacted. If its members are satisfied with anything less than this, their Order will be almost valueless. When the politicians once learn that the farmer can not be driven to vote against his own interests, they will be glad to show a wholesome respect for his wishes, and the candidates will not be slow to commit themselves definitely to the support of just measures for the relief of the farming and industrial classes.

The Standard Enterprise (Rusk, Tex.) says:

When you think of about 8,000,000 farmers laboring to build the best government in the world, and then count the wondrous indifference manifested toward them as an industrial element, do you not wonder at their conservatism, their patience, and forbearance? No people have exhibited more manly fortitude.

The Capital Item (Baton Rouge, La.) criticizes the declaration of a Louisiana Congressman that the sub-treasury plan is unconstitutional:

Col. Boatner's reasons for believing these measures are unconstitutional may be all right from a legal standpoint, but it looks a little odd that bonded warehouses should be provided for whisky, and that the Government should be made securator for national banks without this question of unconstitutionality affecting them.

The Weekly Union (Luray, Va.) is roused:

The "money kings" have contracted the currency of this land of ours, until there is not money enough left in circulation to do the business of the country, and the wage workers are fast beginning to realize the great injustice of Congress loaning the nation's credit to bondholders at 1 per cent and then they, through the banker and loan agent, lend it to the people at from 10 to 25, and sometimes 50 to 100 per cent.

In the Southern Alliance Farmer (Atlanta, Ga.) a correspondent, "Allianceman," sounds a note of warning;

I see that an extraordinary effort is being made by outsiders to force on the Alliancemen of Georgia candidates for every office, from governor down to representatives. Why are they thus so much interested in our affairs? Is it for our good? On every hand they are asserting that Mr. So-and-so is the Alliance candidate for governor, and Mr. So-and-so will represent a certain district in the senate as an Allianceman. Now, Mr. Editor, the Alliancemen in Georgia have not indorsed anybody for governor, and in but a very few districts have they expressed their preference for a senator or representative. My advice to our people everywhere is to steer clear of every selection made by these men on the outside, whether their selections be Alliancemen or not. We can not afford to be deceived this time. We have men in our order who are just as certain, if placed in power, to be worthless to us and of decided advantage to our enemies as can be. Why should they insist on those men in our ranks being candidates for our votes in the primaries if they are not to be enabled to defeat us in the house of our friends—in some of our measures. It has been truthfully said that if we are to be defeated in our attempt to secure relief, it will come from within. You must not indorse men who are undecided—reluctant to accept all our plans. Men who have been slow to advocate our measures. Men who dodge and hesitate to commit themselves. A weak man, though he be an Allianceman, will be of no service to us in this contest. We can hear on every hand compliments paid certain candidates by those we know are against every measure adopted by our State or National Alliance, and if you will scan these candidates close you will find that if they have indorsed our plans at all it has been done in a very uncertain way, and if you will listen to their speeches and conversation you will discover that they are ready and fluent on any other subject than those of most importance to us. These outsiders are determined to prevent the selection of candidates for office that are decided and aggressive in our behalf, and substitute men that they can control; and if not able to do this, then they are determined to force us to help them put on us weak, vacillating, and indifferent men. Do not be in a hurry to accept any man for any place. You will have the chance of casting your vote in the primaries for strong, unflinching, whole-souled, and fearless men for every office in Georgia, from governor down, if you will but go slow and abide the proper time. I have some facts in regard to what outsiders are doing in the way of manipulating candidates for us that would make a sensation in

Georgia which I will give you at the proper time. There are men in our order whom you can trust, and if they will not announce themselves candidates, we will do so for them. We can not recover if we allow this most propitious opportunity to pass without utilizing our power and influence on legislation, both state and national. When the time comes to move in this matter, you will find leaders ready, able, and fearless to lead you to victory.

NOTES FROM CORRESPONDENCE.

Mrs. John W. Wright, High Springs, Fla., doubts the justice of the law in Florida which makes old men, veterans of four wars, show a receipt for poll-tax before voting.

Clark Orvis, Ancora, N. J., gives a sensible view of the sub-treasury plan. He thinks if the plan can be made to pay its way, that leaves no possible objection to it. That it certainly would do.

President W. S. Morgan, of Arkansas, is sanguine, and sends a splendid letter. He says: "I hope you will press the bond-forgery investigation and the Featherston loan bill. Featherston's bill is very popular, and is a good thing."

John C. Hubbard, for the K. of L. committee, writes to learn what literature can be recommended for the public library at Pequa, Ohio, explaining the origin and purposes of the Alliance. He has been accommodated in a limited way.

James V. Tutt, president of Belmont sub-Alliance, Sumter county, Alabama, asks several questions which will be or have been answered in THE ECONOMIST. He evidently overestimates the expense incident to the system. The sub-treasuries would probably cost less than the post-offices in the towns they would be located in, and as there are but 3,000 counties, there could be no greater number of warehouses.

J. J. Rogers, superintendent of the colored National Farmers Alliance of North Carolina and Virginia, located as manager of the exchange at Norfolk, Va., writes that the organization has 15,000 members in North Carolina and 8,000 in Virginia. He is daily receiving letters of inquiry in regard to the sub-treasury bill. They only need information. In many counties they have heard the white lecturers, and will support this bill by petitions and votes.

FALSE GUIDES.

In the Southern Press Association in Savannah, Ga., May 1, the following resolutions were adopted:

Whereas a measure is pending in Congress making the Government a party to a general telegraphic scheme; and whereas this is a dangerous departure from the principles of democratic-republican government as defined by Jefferson which are best calculated to protect life and property, secure the liberties of the people, and promote the welfare of the citizen; and whereas the tendency to centralization in the administration of the Government and the increase of office-holders ought to be checked; and whereas to make the handling of the telegraphic business of the newspapers of the United States dependent on the good-will of employees subject to party control would be an infringement of the liberty of the press and subversive of the best interests of the people, therefore . . .

Resolved, That we, the members of the Southern Press Association, earnestly request our Representatives and Senators in Congress to use their best endeavors to secure the defeat of this iniquitous measure.

Resolved, That this action be communicated to the Senators and Representatives by the President and Secretary.

It is unfortunate that any men acting as moulders of public opinion, should give expression to such false and short-sighted doctrine. They evidently referred to the Wanamaker bill, which seeks to place the telegraph in exactly the same relation to the people that the post-office now is. The only part the Government would take in the scheme would be to reduce rates, and compel uniform and efficient service. Jefferson never defined any "democratic-republican" form of Government, there never was any such anomalous form in this country, and probably never will be. The best Alexander H. Stevens could do in naming the present form of government was

"A confederated form of republican government," which would be the exact opposite of democratic-republican. There is no tendency to centralization in the bill; it simply utilizes the centralization now in vogue. The idea that the telegraph service would be less efficient under the Government because one party is always in control of the administration, is based on the assumption that the corporations now managing the telegraph business are not controlled by the dominant party at all times, and presupposes crime and corruption on the part of the administration of each party when dominant. Neither of these propositions will be admitted by conservative and thinking people. Corporations always change their politics to conform to the party in power. They, when they constitute a monopoly, must do so. Their very life depends upon law, and they are always the most servile creatures in the possession of any dominant party, because as corporations they are business concerns devoted solely to gain. Verily corporations now do and may always be depended upon to do the will of the political party in power. If it be the will of the party in power to tamper with the mails for political purposes, it could much better do so, and would be more apt to do so, if the mails were in charge of a huge corporate monopoly whose life depended upon the will of that party than under present circumstances; and the same is true of the telegraph, because a corrupt dominant party could and would rather manipulate the present great corporate monopoly than to openly assume the responsibility of such manipulation for political purposes.

SENATOR PADDOCK, of Nebraska, has been writing letters to the effect that his State, so far as the mortgaged indebtedness is concerned, has been slandered. To use the language of President Harrison, he has undertaken to show that "General prosperity reigns within its borders." Unfortunately for the Senator, he has a constituency that of late have done considerable thinking for themselves, and, as a consequence, have thrown one side that false pride which induced the Senator to claim for his State a condition financially which did not exist, and are willing the public should know the truth for truth's sake. For this purpose a representative of the Alliance Motor, published at Broken Bow, Neb., made a search among the records with the following result:

The denial that the State is not heavily covered with mortgages is met with the following table, compiled from the official records of Saline county, one of the wealthiest counties in the State:

REAL ESTATE MORTGAGES UNSATISFIED ON RECORD.	
Lands	\$1,816,388.23
Town lots.....	370,983.23
Total amount real estate mortgages.....	2,187,371.46
Bonded debt, cities and schools	97,739.15
Bank loans and discounts.....	1,418,954.41
Chattel mortgages held by private parties (banks not included) unreleased, filed since January 1, 1889.....	332,584.44
	4,036,649.46

The assessors' value of property against this indebtedness is, viz:	
Lands	\$1,234,958
Lots.....	425,775
Personalty	808,266
Total.....	2,468,997

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 11.

THE NATIONAL ECONOMIST

SATURDAY, MAY 31, 1890.

TABLE OF CONTENTS.

	Page.
THE ISSUE	161
A FARMER'S STATEMENT (President Livingston, of Georgia, before the House Ways and Means Committee)	162
A VIEW FROM THE NORTHWEST (Mr. A. Wardall, of Huron, Dakota, before the House Ways and Means Committee)	171
A FINANCIAL HISTORY (No. 15)	By N. A. Dunning 170
A SMART YANKEE TRICK	161
THE MISSISSIPPI RIVER	168
THAT NEEDED BOODLE	169
LET US HAVE PEACE	169
THE TARIFF FARCE	By Merlinda Sisins 174
THE DIRECTOR OF THE MINT CORRECTS	175
THE SUB-TREASURY IN CONGRESS	162
A SOLID PLATFORM	167
COLORED HOMESTEAD COMPANIES	175
PRESIDENT POLK'S TOUR	169
ALONZO WARDALL, ESQ.	169
AT WINFIELD, KANSAS	173
FROM CORRESPONDENTS EVERYWHERE	174
THE REFORM PRESS	176

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

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

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

SOUTH DAKOTA.

Monday, June 2, Miller, 1 p. m.
Tuesday, June 3, Lake Preston, 7 p. m.
Wednesday, June 4, Madison, 2:30 p. m.
Thursday, June 5, Sioux Falls, 2 p. m.
Friday, June 6, Canton, 1 p. m.
Saturday, June 7, Parker, 1 p. m.
Monday, June 9, Mitchell, 11 a. m.
Tuesday, June 10, Yankton, 1 p. m.

INDIAN TERRITORY.

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

OFFICIAL DIRECTORY OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

L. L. Polk, President, North Carolina.
B. H. Clover, Vice President, Kansas.
J. H. Turner, Secretary, Georgia.
W. H. Hickman, Treasurer, Missouri.
Ben Terrell, Lecturer, Texas.
Executive Board—C. W. Macune,
Chairman; A. Wardall, J. F. Tillman.
Judiciary Department—R. C. Patty,
Chairman; Isaac McCracken, and Evan
Jones.

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

President Polk, Secretary Turner and Chairman Macune are located at Washington, D. C., the domicil of the order.

ALABAMA.

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

ARKANSAS STATE UNION.

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

ARKANSAS STATE ALLIANCE.

President—Paul T. Davidson, Holly.
Secretary—W. B. W. Heartsill, Green-
wood.

COLORADO.

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

SOUTH DAKOTA.

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

FLORIDA.

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

GEORGIA.

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

INDIANA.

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

INDIAN TERRITORY.

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

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

KENTUCKY.

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

LOUISIANA.

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

MISSOURI.

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

MARYLAND.

President—Hugh Mitchell, Port To-
bacco.

Secretary—T. Canfield Jenkins, Po-
monkey.

MISSISSIPPI.

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

NORTH CAROLINA.

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

SOUTH CAROLINA.

President—E. T. Stackhouse, Little
Rock.

TEXAS.

President—J. P. Buchanan, Murfrees-
boro.

TEXAS.

Secretary—E. B. Wade, Murfreesboro.



Holton Stock Farm,

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

IMPORTED SHETLAND PONIES.

REGISTERED BERKSHIRE PIGS.

REGISTERED JERSEY CATTLE

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

ROBERT E. PARK,
MACON, GA.

Mention ECONOMIST.

IT STANDS AT THE HEAD!

THE PHILOSOPHY OF PRICE
AND

ITS RELATION TO DOMESTIC CURRENCY.

BY N. A. DUNNING.

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

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

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

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

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

317 Olive Street, St. Louis, Mo.

SPECIAL ARRANGEMENTS TO HANDLE WOOL IN

LARGE OR SMALL QUANTITIES.

Central Point for purchase and sale of Flour,
Grain, Provisions, Machinery and Merchandise.

Best rate yet obtained on Alliance seals and
badges.

SCHOOL-SUPPLIES.

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

J. B. MERWIN SCHOOL SUPPLY CO.,

1104 Pine street, St. Louis, Mo.

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

THE NATIONAL ECONOMIST

OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., MAY 31, 1890.

NO. 11.

THE ISSUE.

The issue is clearly defined between those who favor and those who oppose the sub-treasury law. No quibbling over detail will serve now as a blind to cover up or direct attention from the principles involved. The advocates of the measure have offered to yield any of the detail, and they thereby force the issue upon the principles involved. This is bound to divide the disputants upon a clear and well defined line of friendship to farming and producing interests, those feeling such friendship being advocates of the measure, and those who do not, opposing it. For this reason, agriculture is to-day the least prosperous branch of industry, because it is discriminated against. The proof that it is discriminated against is

that under the present system of maintaining an even volume of money throughout the year, regardless of the demand, there is a great relative scarcity or fluctuation in volume at the season in which agriculture must exchange the products of its labor for money. This relative fluctuation works against the farmer, because it depresses prices when he is compelled to sell and augments prices when he is compelled to buy; and on the other hand it discriminates in favor of the exploiting class, because it depresses prices when they buy, and augments them when they are ready to sell. This discrimination against productive pursuits must be stopped, or it must not! That is the issue. The affirmative will be those who are engaged in productive pursuits, and a few unselfish and patriotic statesmen. The negative will be everything else. Arguments will be made by men who claim to be friendly the true interests of the country as to detail of practicability, legality, and other detail which if they are truly in earnest about being friendly, they had better offer to improve on, by showing some better way of securing the principle, than to make any technical detail an excuse for an active opposition to the bill. Such tactics will not longer do. The people are too intelligent and will certainly understand the animus of those who fight this measure in spite of their sophistry. THE NATIONAL ECONOMIST, as the official organ of the National Farmers Alliance and Industrial Union, will continue to defend the measure for two reasons: First, because it is right; and, second, because it was adopted by the supreme council of the National

Farmers Alliance and Industrial Union, and thereby made a plank in the platform of the order. It is not the production of the wisdom of any one man or set of men. It is the evolution of modern progress, and the supreme council at St. Louis simply met the indications of dire necessity when it interpreted the wants of the farmers by indorsing this measure. It is not the province of THE ECONOMIST to attack those who produce long and ingeniously devised arguments against the bill, especially when such arguments bear the ear-marks of the demagogue, and are composed of misstatements of the issue and sophistry. Such articles will be judged by the people, and judged rightly. It is simply the duty of THE ECONOMIST to advocate this measure in as straightforward and clear a manner as possible, and if any gentleman desires to fight the order by opposing, the responsibility is certainly on his own head, and it is not the duty of THE ECONOMIST to add to his unpopularity with the people by exposing his fallacy and weakness. It is fair to let his arguments stand or fall on their merits, and the people may surely be trusted as competent to judge.

A SMART YANKEE TRICK.

The country is being flooded with circulars headed "The Farmers League, devoted to the political welfare of the farmers independent and non-partisan." These are designed to organize the farmers into a political league, and give a constitution and description of the plan. They are signed by Herbert Myrick as secretary National Farmers League, and state that he is also editor of the New Homestead, and the Farm and Home, published in Springfield, Massachusetts. The circular shows that they propose to unite all the farmers of America into a league for political purposes and charge fifty cents each. Mr. Myrick's papers do not come to this office, but clippings from them have been sent in by readers and show that the Farm and Home publishes extracts from papers that are fighting the Alliance movement by lying about its objects and its officers. The Farmers Alliance is fifteen years old; it is an evolution of the times; was born of necessity; does not owe its growth and prosperity to the genius of any man or set of men; it is a spontaneous effort of the whole membership to combat the evils that afflict

agriculture. It can not be captured by any claptrap or political trick. THE ECONOMIST might be destroyed in the struggle and every officer of the order to-day reduced to the ranks, and the grand move would go on just the same. It is useless, therefore, to fight the organ and the officers for the purpose of capturing the order. The fealty, the intelligence and strength of the order is in the ranks, and is the result of the last fifteen years of education by the Alliance. The people have been spoiled by other political movements offering to take them in for nothing, and will hardly accept the chance of paying fifty cents for the boon of joining a new party. The farmers have been letting other people look out for their welfare long enough, and all self-constituted leaders will hereafter find them capable of taking care of their own political welfare.

THE SUB-TREASURY IN CONGRESS.

Hon. J. A. Pickler, of South Dakota, who introduced the sub-treasury bill in the House for the Alliance, took opportunity to speak incidentally of the bill during the tariff discussion May 20. While stating his views on the subject under discussion, he said:

And in addition the farmers of this country demand more money as a circulating medium, demand money sufficient to do the business of the country. They demand, Mr. Chairman, and in such tones that it can not much longer go unheeded, that the Government shall, through their sub-treasury bill or some other measure, furnish the people direct with money to do the business of the country at a nominal rate of interest. Such relief they demand, and such relief they are entitled to. Never have the producing classes been more in earnest upon any question than upon this one for more money and cheaper money. It is a necessity, and a necessity Congress should provide for, and provide for without delay. No higher duty devolves upon this Congress, in my opinion, than to pass some measure of relief. Neither should it be a make-shift or a mere temporary expedient, but some measure that will afford permanent and abiding results. The committees of both Senate and House have accorded several hearings to the legislative committee of the National Farmers Alliance and Industrial Union, and other friends of the measure proposed, and I trust, Mr. Chairman, we may have prompt action by that committee and by this House.

This, from the spokesman of the Alliance in the House, is a challenge for consideration in marked contrast with the conduct of several members who evidently desire to prevent any discussion.

SEVERAL bills have recently been introduced in the Senate and House of Representatives purporting to be requests of the Wage-workers Alliance of the District of Columbia. They seem to be absurd propositions, and it is not plain whether they are the wild ravings of some crank or whether they are introduced as the result of a deliberate and evil design to bring ridicule upon the Farmers Alliance. There is no such organization as the Wage-workers Alliance of the District of Columbia, so far as can be learned, and this foolishness will not affect the farmers in any way.

A FARMER'S STATEMENT.

President Livingston, of Georgia, before the House Ways and Means Committee.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I found on my arrival here many false impressions and opinions in relation to our people, their purposes and plans. Our people, Mr. Chairman, have not, in days gone by, thronged this capitol either with lobbyists or committeemen. If my recollection serves me properly, this is the first time that, as a people, we have ever appeared within these walls for any purpose whatever. I will admit that kindred industries—the wool industry, the rice industry, etc., have been here; but these were isolated industries of the country. But so far as the agricultural people of the country are concerned, we have not consumed the time of committees of the House or Senate. In other words, we have been doing what a distinguished member of this committee (Mr. Flower) intimated yesterday that we ought to be doing—trying to attend to our own business, in our own way, as we best could.

One of those opinions, and perhaps the most extensively circulated and damaging to us, I find to be this: Our Alliance is composed of agriculturists—not of men who live in town and who farm for profit, by the tenant system, or the crop system, but of the men who live on their own farms; men who till the soil more or less with their own hands and oversee their own business. It is also composed of laborers—farm laborers—of country physicians, and of country teachers. To some of you perhaps this may be new. Farmers, farm laborers, country physicians and country teachers are eligible in our order.

One of the most damaging opinions entertained of us here is, that we are seeking (clandestinely of course) to displace the two political parties of this country. I will say, however, in justice to the order, that there is not one word of truth in that, so far as my knowledge goes—and I think it is sufficiently extensive to enable me to assert that fact, without fear of contradiction.

The subject matter of this bill, and all kindred questions, are properly in the interest of the agricultural people, without any discrimination of party lines; and we hope to present the question in that way without such hindrance or lets as partisan feeling and partisan legislation might entail on the country.

There was another trouble which I found on my arrival here in the minds of a great many Congressmen of both Houses. That was that a proper adjustment of the tariff question was all that we ought to ask for in connection with the free coinage of silver; that if the tariff question could be properly adjusted with the free coinage of silver, we ought to withdraw this sub-treasury bill of ours. I want to say in reference to this tariff question that this matter of ours has nothing at all to do with the tariff question. You may call it a protective tariff, if you like—and if it is not protective it is a misnomer. The tariff fixes the price of what the farmer has to buy; this bill of ours seeks to fix the price of what he has to sell. They are altogether different. Under this sub-treasury bill we hope to raise the price of cotton

to the producer, and to raise the price of wheat, corn, oats and tobacco to the producer. It has nothing at all to do with the tariff, whether protective or not. This bill stands related to us in altogether a different manner and from a different standpoint.

There is another opinion that I find existing here against us; that is, that we have been dictatorial and arbitrary. We did not mean to, Mr. Chairman. Farmers have a very plain way of presenting things. They are not educated in the courtesies and conventionalities of other classes, and when they speak they speak straight to the point; and they hit straight from the shoulder. I hope that you gentlemen of the committee, and I hope that members of the House and Senate will understand that we have no feeling of that kind. We understand that you gentlemen are here, intelligent gentlemen, acting under your oaths, and that if we present an unconstitutional measure, or an impracticable measure or anything of that kind, you will do your duty and reject it. Nothing of that kind was intended. This idea has grown out of the form of the resolution sent to the various Congressmen. We ask you to do what you can, or we demand it of you (I am not sure of the language used) for our sub-treasury plan. Well, I repeat that there was nothing discourteous intended. We are simply, Mr. Chairman and gentlemen, in earnest. I think that covers the ground. We are in earnest; and we have been made so by an intensified and desperate necessity. That is all that there is in it. Our homes, our schools, our churches, and all that we have are involved in the issue. I was glad to hear the distinguished gentleman from New York (Mr. Flower) say yesterday that he did not believe that the national banking system did us any good. Ah, we know it! We know it. But we are bound by your own Revised Statutes and can not touch it, can not reach it. There were 58 homes sacrificed on the block the day before yesterday in Connecticut; 58 families rejected and turned away from their homes, away from the graves of their children, away from their churches, and I hold in my hand the issue of one county paper in the State of Kansas containing 143 notices by the sheriff of foreclosures of farm mortgages on one single day in his county. So that all we have, Mr. Chairman, is involved in this bill. And I do want to say to you candidly to day that our people have about made up their minds to let partisan politics go for a spell, and it is very hard to hold them back. I would not be true to my people if I did not say that we have almost made up our minds to let partisan politics rest for a spell. Whether they will do so or not is another question.

There can not be a member on this committee who will not admit, and who must not admit, (as even Secretary Windom himself admits) that there is a lack of money in the country. Mr. Windom estimates the amount of money in circulation at \$1,426,000,000, and he admits that a considerable part of that amount is locked up and therefore of no benefit to the business of the country. Senator Plumb estimates the amount locked up as \$700,000,000, leaving in circulation only about the same amount, or about \$10 per capita. Others have estimated the amount in circulation at less than \$10 per capita. Mr. Dunning estimates that there is really less than \$5 per capita, and I believe he can sustain his figures.

We assert that the national banking system should

be repealed, or should be so amended as to admit real estate as a basis for credit. Now, Mr. Chairman, we have been here by our resolutions on that question before to day. The Georgia State Agricultural Society, while I was acting as president for four years, sent a simple request to Congress on that subject twice. The National Grange and several of the State Granges in the different States have made similar requests. I am sure that my own representative, Judge Stewart, in connection with Mr. Clements of the Seventh Congressional district of Georgia, attempted to amend the banking act in that particular so as to allow farmers to use their real estate as credit for banking purposes. For some reason or other (I know not what) Congress refused it. Twice was the attempt made. Attempts were also made to repeal the 10 per cent tax clause on the circulation of State bank notes; and if the suggestion of the gentleman from New York (Mr. Flower) were to be accepted, it would be worthless to us unless that tax clause were repealed, because no State bank could begin to do business with a 10 per cent tax upon its circulation starting it in the face. Therefore, we contend that this national banking system must be either repealed or amended.

Mr. Flower. I have in my district farming property as well as manufacturing property. Now, why should the Government lend money to you on your farm products at the rate of 1 per cent per annum unless it is also willing to lend money on manufactured products at the same rate?

Mr. Livingston. I will come to that directly. Farmers are now excluded from any direct business connection with these banks. Therefore, we are forced to do what we can in order to secure advances or loans at very expensive rates of interest. That is unfair and uncalled for. You can not excuse it from any standpoint under God's bright heaven, and you know it.

Mr. Flower. Does not the manufacturer have to do the same thing?

Mr. Livingston. No, sir; he does not. I want to say, once for all, that a man with a lot of watered stock as collateral, can come into any national bank in the country and borrow what money he wants, but he can not do so with real estate.

Mr. Flower. You know the reason for that, I suppose?

Mr. Livingston. Yes, and I will discuss it further on.

Mr. Flower. I want to put it in right here. It is because the one is fixed capital and the other is not. That is the only reason under heaven.

Mr. Livingston. If you put that question to me after a little while I will answer it; but the committee has only given me a limited time.

The Chairman. If the gentleman does not wish to be interrupted, he can proceed without interruption.

Mr. Livingston. I will answer any question at the end of my remarks. We contend, Mr. Chairman, that the present national banking system is a monopoly, and that it seriously affects every interest in the country, and that, of all monopolies, it is the most serious and damaging to our people. I am not alone in this opinion. I will give you some Republican and some Democratic authority to the same effect. What does Mr. Chase say about it? and who was Salmon P. Chase? Mr. Chase was the Secretary of

the Treasury under whom this national banking system was established. Mr. Chase said that the national banking system was the greatest financial mistake of his life. Now, why? "It has built up," he says, "a monopoly that affects every interest in the country." He uses the identical language that I use. Listen to him again: "It should be repealed." Now listen, and do not be astonished at what you witness to-day. "But before this can be accomplished, the people will be arrayed on one side and the banks on the other, in a contest such as has never been seen in this country." You have got the morning dawn of that contest to-day, and I give you notice now that we will wage it as long as there is a foot of ground to stand upon, or an ear or a heart to which we can appeal. Listen again. Just before Mr. Lincoln's death a gentleman from Illinois wrote to him congratulating him and the country on the end of the war; and in Mr. Lincoln's reply he says: "As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow." Has it followed? "The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people—" Has that been done? "until all wealth is aggregated in a few hands—" Has that been done? "and the Republic destroyed." Thank God, that has not been done yet. But it is the only one of the several predictions in this letter of Mr. Lincoln that has not been consummated. Has the property been aggregated in the hands of a few as predicted in that letter? Less than half of one per cent of the people of the United States to day own three-fifths of the property of the country. Thirty-one hundred people own three-fifths of the entire property of the country. Now carry that down to counties. In my own county in Georgia there is a population of some 14,000 people. That would leave it in the hands of six men in my county to control every school, every grand jury, every judge, and every other interest in the county. Five or six men control this nation to-day, and I can demonstrate the truth of that statement if anybody should see fit to deny it. Mr. Garfield said: "Whoever controls the volume of the money in any country is absolute master of all the industries of the country." Now, we ask you, for God's sake, to take us from under that slavery. That is our appeal. Mr. Jefferson said (the greatest authority on the other side of the House, at least the greatest authority in Georgia): "Our only resource, and an ample one for any emergency, is Treasury notes, bottomed on taxes," and not on the indebtedness of the country. That is Jeffersonian Democracy when it touches the financial questions of the people. Listen again to what he says: "Funding is simply robbing the people on a grand scale." I could go on and give you a hundred more quotations from such men. Let us take John C. Calhoun. He says: "We compel the people to pay interest on Government credit through the banks, while such credit should be extended directly to the people without interest." That is what the sub-treasury plan asks you to do. It asks you to do what Mr. Garfield said ought to be done, what Mr. Lincoln said ought to be done, what Mr. Jefferson said ought to be done, and what Mr. Calhoun said ought to be done. That is what we ask you to do. We come not appealing as partisans. Not at all. Partisan politics have nothing to do with it. Thomas Benton said as much

and many others. Now, we say that this national banking system must be repealed, or should be (if you let me put it in different language), or it must be amended. But if you give us the sub-treasury plan, you may keep these restrictions around it, and heap them up as high as heaven and as deep as hell if you want to.

We again assert that, under the present national banking system and by means of combinations, the volume of the currency (let it be great or small) can at will be so contracted or locked up that prices of every product must necessarily be depressed, unless the producers are equally able to hold up their products as they would be under the sub-treasury bill. We do not care if all the money in the country was in the hands of five men, and if those five men should put a corner upon wheat or try to depress the price of cotton, tobacco, flour, or anything else, so long as we are not compelled to sell at given periods and just as soon as the crop is matured; because the loans on growing crops in the South and in the West fall due just as the cotton and grain crops are matured. If we could get out from under that trouble, it would make no difference to us how much money was held by a few men. This sub-treasury plan would just simply enable us to do that. That is all. But if we are to be left in the hands of moneyed combinations, moneyed monopolies which favor the few at the expense of the many, then we demand (no, we ask, we beg) to be put in a shape where we can lock up and hold our products. That is a simple argument to bring the other side of the question with force to your heads and your hearts. Fair play is all that we ask. I wish I had time to read from Crawford and from Alexander Hamilton. We declare that this system of to-day, if kept within good business limits (I refer to the law under which a hundred million of dollars in gold is kept in the Treasury for the purpose of redeeming three hundred and forty-six millions of Treasury notes), would force the entire circulation to be held up, and there would not be a single dollar per capita in circulation. Is it healthy or moral for the people of the country to stand by a national banking system that you have got to violate, and that you are to-day violating? If you put the reserve of the banks where the law requires it to be put, and then put the reserve in gold to redeem the three hundred millions of Treasury notes, what will you have in circulation? Not a single cent.

Mr. Chairman, our plan furnishes a volume of currency sufficient to meet the crops as they are forced upon the market. I do not suppose that I need stop to argue that. We ask that 80 per cent of the market price of all the product offered to the warehouses shall be advanced on the part of the Government. What is the object of that? First, to take the producer, who is compelled to sell on the market as soon as his crops are ready for the market, out of the power of the money lender, to enable him to skip the speculator—because not a bale of cotton is sold directly by the planter to an exporter or a spinner. The wheat of the West is marketed in the same condition. It is put into the elevators by speculators, and is kept on hand until the law of supply and demand settles the price, and the speculator gets the advance between the price on the farm and the price in the market. That is all. This sub-treasury plan

asks that we may have that privilege; that the wheat grower of the West may be able to put his wheat in the elevator and dry it and make it fit for the mill. The moment it gets into that condition the miller gets it and takes it out, and then the law of supply and demand settles the price. We ask that cotton, when green and wet, shall be put into warehouses at our expense until the spinner can reach it and pay the planter its absolute market value, and not a fictitious market value as fixed by cotton future men in New York and Liverpool. It will be a godsend to this country if we can get this sub-treasury bill through for that reason if for no other. If that bill were enacted combinations would stop, at least on crops. Our plan will furnish advances on the crops at a cheap rate of interest and for such a length of time as will enable the producer to sell on demand and not to a speculator. Our plan will enhance the price to the producers and not increase it to the consumers. That is, perhaps, a singular statement to make; but it is true all the same.

One of the most serious objections that I have heard to the plan since I have been in Washington is, that if we can raise the price of wheat and cotton to the consumer of cotton in the East and of wheat in the South, it will be a stand off. Not at all. When corn was selling at 16 cents a bushel in Kansas, it was worth 57 cents a bushel in Georgia. Where was the difference? It was lodging in the hands of the speculator who had control of the corn in the elevator and held it there in bulk. This sub-treasury plan will enable the farmer to do the same thing, and speculation in the products of farms will be done away with completely. Under this sub-treasury plan the difference that now goes into the pocket of the speculator will go into the pocket of the producer, while the consumer will not pay one single cent more.

Another objection that I have heard, and that I may as well answer, is this: That we will be able to form a trust or combination on the part of the farmers of the country. There are two reasons why we can not do that. Men must be true to their own interests, and to their own nature and to their own instincts. The business tendency of the farmer is to rush his crop into the market as quickly as possible. If there is a rise of one-eighth of a cent a pound on cotton one day, every planter will hitch up his team next morning in order to secure the advantage of that one-eighth of a cent. He is afraid that the increase will be gone the next day. There is another reason why farmers can not, under this plan, put a corner on their produce. We are limited under this bill to twelve months, while under the banking system the charter runs for twenty years. We know that if we undertake a corner it will lap over into the next crop; so that we dare not do it. It is an absurdity on its face. It can not be done.

Our plan is not unconstitutional, if you will pardon a farmer for saying so. I know that perhaps I am transcending propriety when I say so; for I am not a lawyer, and never was, and never (at my age) will be. I will meet that constitutional objection in this way. If our sub-treasury plan is unconstitutional your national banking system is. The Constitution says that the Government shall have the right to coin money and to fix the value of it. It follows, as a necessity, that it has the right to choose the method of distribution. If you give the Government the right to

coin money and fix its value, the question of how to reach the people with it is left to Congress. The United States Supreme Court has decided that the law authorizing the issuing of greenbacks was constitutional. We must abide necessarily by that decision. Then you have issued greenbacks on what? On bonds; and bonds are evidences of indebtedness. If Russia and Germany and France and England should declare war against the United States tomorrow, those bonds that are locked up would go to 20 cents on the dollar. So that I should think that bonds were a very precarious basis for the issue of notes. We did not hope to present a perfect plan. We want to appeal to you, lawyers and bankers, on this committee. This plan comes from farmers. We have not presented it to you as a perfect plan, and had not hoped to do so. We know full well that all legislation at this capitol to-day is a question of compromises. We knew it when we drafted the bill, and we know it now. We expect changes to be made in it, and I can mention some changes that ought to be made.

Our plan should not be objected to as class legislation. I was very sorry to hear Mr. Flower make the remark yesterday that if this plan were carried out to its utmost limit, the hogs would be put into the warehouses, and he mentioned other things that would be put into them. Finally he got to the children. He said that the children would be put into these cotton warehouses; and then he mentioned another thing which I regretted very much to hear—that the women would be put into the fields to work. The logical inference from his position was that the men would be too lazy (having the Government at their back) to do anything.

Mr. Flower. Look at the condition of Germany now and see how much it differs from that.

Mr. Livingston. If this is not a paternal Government to-day, I want some man to tell me what paternalism is?

Mr. McMillin. Do you think that it should be so?

Mr. Livingston. No, sir. There was a little boy up in East Tennessee who wanted to go and see his sweetheart one evening, but his father said that he had to start on a trip in the morning to bring home some stock. When the father went to bed the boy slipped out to see his sweetheart. He got there just as the old man began to bank the fires. He knocked at the door. The old man supposed that he wanted to borrow something, and he invited him in. The old man was opposed to the courtship. The old man finally said to the family "Let us to the table." There the boy sat with his arms folded expecting an invitation to the table. "Jake," said the old man, (after saying grace) "is there any news on your side of the mountain?" "Yes," said Jake. "What is it?"

"One of dad's cows had five calves yesterday." "How can that be, Jake, when the cow has only four teats?" What is the fifth calf doing?"

"Standing off just as I am, like a durned fool." That is as good a picture of this paternal government of ours as can be drawn by a pen. The farmer has been that fifth calf. We have stood with arms folded expecting an invitation to the table. We thought that somehow there might be a bonus upon cotton; that we might have some sort of protection from a magnificent government like ours. But we have stood with folded arms for twenty-five years. The question

comes up now, Mr. Chairman—the question of getting at these teats somehow, and turning these other people off. If you open the pathway of prosperity and success, and the achievement of property as well as renown to every single citizen of this country, and protect him in his person, property and character, God knows the farmers of the country will accept that platform and stand upon it, and live upon it, and die upon it. But if you adhere to protection and grant bonuses to everybody else at our expense, is it not about time that this fifth calf would caracole around and make a noise? I tell you that we are going to make a howl that will be heard from Canada to Florida, and from the Atlantic to the Pacific. We can not stand it.

Our plan can not be objected to on account of extravagance. We are not asking for the appropriation of any money. If you allow us to take fifty millions out of the hundred millions that lie in the treasury (placed there ten or fifteen years ago for the purpose of redeeming the outstanding treasury notes), it will build all the warehouses that we want. Can you not do so? Or, if you do not want to let us have fifty millions, will you not let us have that twenty-five millions of fractional currency that is in the treasury and that the banks will not have? It is ragged money, but it will do the farmer as well as anything else. We do not ask for any direct appropriation to build these warehouses.

Mr. Flower. What is this fifty millions for?

Mr. Livingston. To build warehouses. It will only cost twenty millions to build them. We have 876 counties which would be under the bill entitled to warehouses; but there are some districts (I could mention one in Alabama and one in North Carolina) that would not get a warehouse under the terms of the bill. That must be amended. It must be amended that where there is a tier of counties which would not be entitled under the bills to get warehouses they must be provided for. We must not force people to haul their products fifty or sixty miles to a warehouse. Sixteen millions of dollars will build all the warehouses. Therefore, the fractional currency that is lying idle in the treasury will build every warehouse that we want. I notice a bill reported from one of our Georgia Congressmen the other day, appropriating millions of dollars for rivers and harbors. Now, how much interest has the farmer in the cleaning of rivers and the deepening of harbors? Of what use to him is the harbor of Brunswick, or Savannah, or Mobile, or Galveston? How can you appropriate millions for purposes of that kind and refuse us when we ask you to give us a little sum of sixteen millions, and then to advance us a sufficient amount of money to hold our crop until we can get fair prices for them?

Mr. Flower. How much money do you estimate will be wanted for currency in order to hold the crops that you put in—the wheat, the cotton, the oats, the barley, and the tobacco?

Mr. Livingston. I believe that the value of the year's crop is about eight thousand million dollars.

Mr. Flower. Mr. Macune said yesterday that it would require six thousand million.

Mr. Livingston. Perhaps so; but one-third of that will be all that we will need.

Mr. Flower. And you will want to sell one-twelfth of the crop every month?

Mr. Livingston. That is not my idea at all. Only persons who are compelled to sell under adverse circumstances will warehouse their crops. Persons who are not in debt will not do it. I can only speak for Georgia. In Georgia we will not need to have more than one third of the cotton placed in the warehouse. All through to Texas I believe it will be the same, and that never more than one-third of the cotton will be put in warehouses. I can not speak about the grain. Take the value of the cotton crop at \$50 a bale and multiply it by 7,000,000 bales and you have the whole value of the cotton crop at three hundred and fifty million dollars. One-third of that is—

Mr. Flower. \$112,000,000.

Mr. Livingston. When the wheat crop comes in, that same amount will meet the wheat crop; and when the tobacco crop comes in it will meet the tobacco crop. Therefore, perhaps there will never be a necessity for an issue over that amount of money.

Mr. Flower. You do not provide for the hay crop, which is the biggest crop of all.

Mr. Livingston. No sir.

Mr. Flower. The farmers of my district are most interested in that crop.

Mr. Livingston. I will show directly why we did not. We will most assuredly hold the United States Congress responsible to some extent for a failure to adopt our plan, or some other plan looking to the relief of the farmer. Now, Mr. Chairman and gentlemen, I want to say this. This is a bill for a class of people who, as I said at the outset, have not been in the habit of lobbying and troubling Congress. If we do not come with that persistency and constancy which beset you for other classes, you must recollect that we have not the tact. We do not know how to lobby with Congressmen. All that we can do is to come before you in this open and candid way.

Mr. Flower. I understood Mr. Macune to state yesterday that it was proposed to establish these warehouses in the 800 odd counties of the United States, and that they should be used for the storage of five crops—oats, wheat, corn, tobacco, and cotton. Now, these crops in 1888 amounted to \$1,153,000,000. The rye crop amounted to \$14,000,000, the potato crop to \$94,000,000, the hay crop to \$413,000,000, the petroleum crop to \$30,000,000, the wool crop to \$125,000,000, and manufactured products to \$5,000,000,000. Now, why would not pork, and turpentine, and lumber, and cheese, and butter, and cattle, and sheep, swine and horses be included within the terms of this bill?

Mr. Livingston. They are all protected.

Mr. Flower. Why would you not put them into this general pot?

Mr. Livingston. Because they have 75 per cent protection already.

Mr. Flower. Our currency at present amounts to about \$1,400,000,000; do you not think that the addition of this thousand millions of currency under your sub-treasury bill would change prices much more than if the currency remained steady?

Mr. Livingston. It will enhance the price to the producer.

Mr. Flower. You would not advance money on either of those crops, would you, at 20 per cent below the price if you thought that the price would go below that?

Mr. Livingston. No.

Mr. Flower. Have you figures to show how the prices of these crops have stood for the last fifty years?

Mr. Livingston. No, sir.

Mr. Flower. I can state it to you from Spofford's Almanac for sixty-two years. There were only twelve years in that time in which the price of corn fluctuated less than 20 per cent. There were only ten years when the price of oats fluctuated less than 20 per cent. There were thirty-three years when there was a fluctuation of over 50 per cent on corn. There were thirty-nine years when there was a fluctuation of over 50 per cent on oats. There were forty-five years when there were fluctuations of over 50 per cent on tobacco. There were thirty years when there were fluctuations of over 50 per cent on cotton; and there were nineteen years when there were fluctuations of over 50 per cent on wheat. Now, instead of requiring an advance of 80 per cent on the crops put in these warehouses, why not limit the advance to 50 per cent?

Mr. Livingston. Those fluctuations were based on prices which the farmer was compelled, under adverse circumstances, to sell his crop at, and not on the honest market price of the following summer. We have shown you that by putting our products in these warehouses we will escape those fluctuations.

Mr. Flower. One-twelfth of these crops will be wanted every month in the year. Now, if half of them are sold at the end of six months, and if five hundred millions of the money advanced on them is withdrawn from circulation and cancelled, then I say, may God have mercy on the owners of the other half who have to sell; and may the Lord in his infinite grace have mercy on all the rest of the people when the whole of the thousand million dollars is withdrawn from circulation.

Mr. Livingston. If you will make an appointment to discuss this matter I will give you two hours and take one, and will show you that you know nothing about this question.

Mr. Flower. You propose to issue greenbacks for these crops. The greenback is an indebtedness of the Government and is not taxable by the States. One reason why I oppose this plan is because when you issue a thousand millions of greenbacks, you enable everybody who is not a farmer and has personal property to avoid paying taxes on that personal property that is in greenbacks.

Mr. Livingston. I want to make this proposition to the committee. If you think that the landed interest is any better basis for banking, say so and put it in the bill; but I appeal to you, for God's sake, not to let this thing go by default. I want the committee to report the bill to the House, either favorably or unfavorably, and let it be ventilated in the House. Let it go where its mistakes can be pointed out to the world. Let it go where its principle can be demonstrated to the world; and let the world judge of it. I am perfectly willing that the world shall pass upon the question whether we are a set of fools or not.

Mr. Flower. Any how, you want something to relieve the farmer?

Mr. Livingston. I do. If you think that the landed interest owned by the farmer is a better basis for banking than the crops put it there. The onus and the burden is upon you; and the people will hold you responsible. Give us any plan of relief that you think fit if you can not accept this one.

Mr. Flower. We have now got a sub-treasury in this country into which the taxes collected from the people go. I think we have got one sub-treasury too much. I think that the money which is paid in taxes should never go out of the hands of the people.

Mr. Livingston. That is right. When you come to the farmers seeking election you tell them that they are the backbone of the country; that they are the mud sills of the country; that if it was not for them the country could not get along; and you have got them to believe it. And now we have come right back to our father's house and to our servants and friends, and we ask them for relief. Do not let partisan politics or the question of a tariff, protective or non-protective, interfere with us. I thank you, gentlemen.

A Solid Platform.

Col. A. M. Wiley, of Alabama, in a speech accepting senatorial nomination recently, said:

I am in favor of returning to the methods of taxation which prevailed before the war, and which will turn the people's money, now being poured into the public Treasury, where it is needed—into the pockets of the people, where it is needed in their business operations. I would break down, if possible, all barriers between classes and the masses, and destroy the hurtful antagonisms of society, its grinding selfishness and heartless misanthropy. I want laws enacted which will be remedial in their character, replete with practical benevolence, and which will tend to bind man to his fellow in the strongest ties of brotherly kindness. I desire to see those barriers removed, erected by unrighteous legislation, which alienate and oppress the people; and those statutes repealed which enable special and favored classes to fatten with insolence and pride at the expense of the masses. I am in favor of liberal appropriations on the part of the General Government to open our rivers, deepen our harbors, establish our highways, and which will give some measure of relief and protection to the toiling and debt-ridden people. "The tongue will touch where the tooth doth ache" is an old but true saying. The planters know better than all others what they need. Your necessities are the best teachers. If you want legislation ask for it. The ballot-box is a more effective weapon than a shot-gun. Redress your grievances in a peaceful way, through legislation, and within Democratic ranks. It is time we were returning to the old landmarks. The idea is getting popular that farmers and the tillers of the soil must stay at home and eschew politics. You are told to let politics alone, to attend to your plantations, to live within your income, to borrow no money, to pay all the taxes, and permit the favored few—the politicians and bosses—to run the Government. On the contrary, I say to you, take a deep and abiding interest in politics. This is your salvation—your only hope of success. Politics is the science of government—and a great educator. When nearly every plantation in this broad land, and particularly in the West and South, is encumbered; when 10 per cent of the population of the United States, by taking advantage of oppressive Federal legislation, is growing richer every day, and the other 90 per cent are becoming poorer every day—hewers of wood and drawers of water—it is time to go into politics. When you ask for bread you are given a stone. When you suggest economic measures, you are told that they are wild, delusive, and undemocratic. If they are, let the politicians suggest something wiser and better. What care you to be fed on gristle? When mother bends heartbroken over the dead body of her babe, what cares she for constitutional, doctrinal sermons? What cares she for Greek derivatives, church dogmas, or tenets? She wants comfort and consolation. She turns away from cold logic to catch words which throb with tenderness and truth. "Suffer little children to come unto me, and forbid them not, for of such is the kingdom of Heaven." The contest in which you are now engaged is between corruptionists and monopolies; on the one hand, backed by the money power of the country, clamoring for high taxes and special privileges which yield large profits to the few, and the honest, untutored masses, on the other hand, clamoring for low taxes which yield corresponding benefits to the many. And the people are going to win the battle.

THE NATIONAL ECONOMIST.

OFFICIAL ORGAN OF THE

NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.
PUBLISHED WEEKLY AT WASHINGTON, D. C.

BY THE NATIONAL ECONOMIST PUBLISHING COMPANY.

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

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

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

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

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

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

Address all remittances or communications to—

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

THE MISSISSIPPI RIVER.

The vast commercial and agricultural interests dependent upon the proper control of the Mississippi River make it one of the most important subjects of legislation which can come before Congress. As said by Mr. Calhoun, by the invention of Fulton, the river and all its tributaries have become an inland sea. The navigable parts of this vast water system permeate many States, and render facilities for commerce to sections which would be practically a wilderness without, besides equalizing and reducing freight rates throughout the entire country. For example, there is at present an actual saving on through rates from St. Louis to Liverpool by water of 16½ cents per 100 pounds as compared with rail rates from the same point via New York, and it is possible, with a proper improvement, to expect that the banks of the river may be made a practical wharf for ocean steamers from Cairo to the Passes. It would then be possible for people living in any part of the great valley to build short spur roads to the river, transferring to steamers at any convenient point of the 1,100 miles of channel made available, and thus more thoroughly establish real competition in carrying than possible under any system of regulation. The matter thus becomes of importance to all the people of the country from motives of self-interest apart from the question of protection to those who suffer from the inundations which occur while the control of the river is imperfect and uncertain.

The agricultural importance of the great valley is of the greatest moment, involving the homes and fortunes in an area extending through several States, comprising nearly the whole of the sugar lands of the country and a large part of the rice and cotton producing area—all lands capable of the most intense

employment of labor, fertile almost beyond belief, and capable of supporting a dense population. Describing the Mississippi Delta, Mr. Catchings, of Mississippi, said on the floor of Congress a few days ago:

The Mississippi Delta alone extends across 8½ degrees of latitude, stretching from 29° to 38° 30' north, being about 600 miles long and averaging about 60 in width. It embraces about 40,000 square miles, of which at least 36,000, or 23,000,000 of acres, can be reclaimed and placed in cultivation. A moderate estimate would give at least 6,000,000 acres of sugar lands, 15,000,000 of cotton lands, and 2,000,000 of corn lands. These lands are more fertile than those of the valley of the Nile, which by the richness of its soil was the granary of the East, and became the seat of ancient civilization and the heart of one of the mightiest systems of government the world has ever known.

As a question affecting the homes and happiness of many farmers in a section where the Alliance is strongly organized, THE ECONOMIST feels that it is right to ask that Congress do what is possible to remove any uncertainty as to what the policy of the Government will be. It is a fact that the part of the delta below Red River now suffering was protected from overflow for thirty years by the single efforts of the State of Louisiana, and when the federal army cut the levees in seeming wantonness, homes were destroyed which had been built up on the assurance of permanency based upon that fact. Since then the system of levees has never been completed, though each year more nearly approaching thoroughness, and of the great length of levees necessary to perfectly secure the desired result less than five miles succumbed this year, adding together the entire width of crevasses which occurred. But it is not admitted that the whole duty of the Government will be performed when repair of this is effected. There is need for higher, broader and better levees, and a system of enlarging and strengthening is called for which can leave no want of confidence in the future stability of the system. That a complete system of levees would bring about the desired result is the uniform testimony of all engineers who have been charged with investigation of the subject, and in this there is an overwhelming concurrent public opinion among those most directly interested through actual residence in the affected section. The estimate of the experts calls for an appropriation by Congress of \$10,000,000 with which to establish a permanent condition of security from Cairo to the Gulf. There is no State touched by the descending current in which the enhancement of property actually assured would not repay the outlay, and no State in the entire valley in which the assurance of permanent competitive transportation would not add many times the amount to the value of protected homes. The result sought is a highway over which competition would be the rule, and there could be no question of government control. Now that the Hennepin Canal has been placed upon the list of intended government improvements, thus connecting this transportation system with the great lakes of the northwest, the necessity for permanently securing the Mississippi in a fixed channel is made even more imperative.

There must always be differences of opinion or there will be no further progress. These differences provoke discussion, and that in turn brings out advanced ideas which are the basis for future action. This great diversity of ideas is the result of thought

THAT NEEDED BOODLE.

If THE ECONOMIST had all the Republican boodle which the ultra partisan Democratic papers accuse it of being in possession of, and all the ultra Republican papers accuse it of having taken, it would be in shape to build a building such as the New York World has recently erected, put in the most improved machinery, and run a labor paper that the farmers of this country could, indeed, be proud of, but, unfortunately, THE ECONOMIST is not in possession of the funds so generously donated. It might be possible to laugh off these lies told by bitter enemies who lack the ability to meet the arguments offered by THE ECONOMIST, and seek to interfere with its circulation and reduce its subscription list by falsehood and calumny; but they overdo the matter so badly that few, indeed, will believe them, and little harm will be done; but it is going entirely too far when some of the country press of the South and West affect to believe these false statements and make them the basis of attributing impure motives to the editorial expressions of this paper. As a sample of this, a small paper published in Mississippi recently ascribed THE ECONOMIST article in reply to Mr. Oates' attack upon the sub treasury plan to a desire on the part of THE ECONOMIST to injure the Democratic party, and thereby earn the boodle that Quay is reported to have paid it. Nothing could be further from the truth. THE ECONOMIST had no desire to in any way reflect upon the ability of Mr. Oates, or detract from his popularity and standing with the people, but when he came forward and honestly and openly avowed his conviction that the bill was unconstitutional, hundreds of sheets opposed to the Alliance, that ransacked every available thing for arguments to cause dissension and discord in the ranks, took up his statement with a flourish of trumpets, and thought to annihilate the Alliance movement and bring contempt upon the platform adopted by the national Alliance at St. Louis. For this reason it was deemed best to give a vigorous reply to Mr. Oates' article, and not for the purpose of attacking him, which was regretted at the time, and is yet, but for the purpose of silencing the senseless and vicious cry of the enemies of the order. In that respect it has been entirely successful. As will be seen by the leading editorial in this issue of the paper, it is not the purpose of THE ECONOMIST to attack men no matter how much they differ from its position.

LET US HAVE PEACE.

There must always be differences of opinion or there will be no further progress. These differences provoke discussion, and that in turn brings out advanced ideas which are the basis for future action. This great diversity of ideas is the result of thought

and investigation, and, whether right or wrong in conclusion or application, they are usually honest. The great difficulty among individuals given to pronounced ideas upon economic subjects is a burning desire to see their own ideas prevail. This zeal in many instances leads to the conviction that in order to sustain their own theory it is quite necessary to demolish the theory of some one else. Acting upon this supposition, many good men as well as newspapers destroy their influence entirely by antagonizing some other theory or reform proposition, when they should be serving the people by explaining their own ideas. Such conduct, whether between individuals or newspapers, is conducive of no good and tends to foment strife and envy where there should be peace and unity. The conduct of the Kansas Farmer and Junction City Tribune, and some other papers, having a theory or "a way out" of their own is well worthy of imitation. While they are anxious to have their own theories understood, they are no less desirous of having the ideas of others equally well considered. The necessities of the people are great, so great there is no room for contention among those who presume to be leaders. It is unfortunate that this habit has become so general, and it should be deprecated by all who expect to better the condition of the people through agitation. It should be a matter of absolute indifference to every true friend of reform through what channel or by what plan these benefits come, so that they do come and the people obtain relief. Let us all work together, and, above all, "let us have peace."

PRESIDENT POLK'S TOUR.

President L. D. Polk will make a tour of the West and South, delivering an address in Kentucky, June 26, place not yet decided upon, and visiting in order the following States: Indiana, Illinois, Missouri, Kansas, Nebraska, South Dakota, North Dakota, Minnesota, Wisconsin, Illinois, Indiana, Michigan, Ohio, Tennessee, South Carolina, and North Carolina. The South Carolina State Alliance meets July 23, and there is a mass meeting in Greensboro, N. C., July 24, at both of which he will be present.

ALONZO WARDALL, ESQ.

This gentleman, who is a member of the Alliance executive board, made a concise and business-like statement before the House Committee on Ways and Means, which will be found elsewhere in this paper. Mr. Wardall was able to speak on the subtreasury from the stand-point of a practical farmer and wheat grower, familiar with the system of handling wheat prevailing in the West, and his opinion must have weight with those who study the problems involved. He is now at his home in Huron, South Dakota.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 15.

During the years 1867 and 1868 considerable discussion had taken place concerning the kind of money the bonds would be paid in. This question became more important as the time drew near when payment would be optional with the Government. The 5-zos of 1864-65 would be due in 1869-70, and the holders of these bonds were anxious to have payment made in coin. These bonds were payable in lawful money, which consisted in paper, silver, and gold. There were a few men who stood up for the people, and said there should be no distinction among the creditors of the nation, and that a dollar which could be applied in payment of a mortgage or a grocer's bill was good enough to pay on a bond. Some of those men stood by these principles to the end. Others were converted to another theory. Prominent among those who changed front was Senator John Sherman. It may be interesting to some of the readers of THE ECONOMIST to know how easily deliberate convictions of one period of a man's life may be utterly ignored and repudiated at other periods. For this purpose a few extracts from letters and speeches of a number of prominent statesmen are given. In a speech delivered in the Senate February 7, 1867, John Sherman said:

Equity and justice are amply satisfied if we redeem these bonds at the end of five years in the same kind of money, of the same intrinsic value it bore at the time they were issued. Gentlemen may reason about this matter over and over again, and they can not come to any other conclusion; at least that has been my conclusion after the most careful consideration. Senators are sometimes in the habit, in order to defeat the argument of an antagonist, of saying that this is repudiation. Why, sir, every citizen of the United States has conformed his business to the legal-tender clause. He has collected and paid his debts accordingly.

In 1868 he wrote to a friend as follows:

DEAR SIR: I was pleased to receive your letter. My personal interests are the same as yours, but, like you, I do not intend to be influenced by them. My construction of the law is the result of careful examination, and I feel quite sure an impartial court would confirm it, if the case could be tried before a court. I send you my views as fully stated in a speech. Your idea is that we propose to repudiate or violate a promise when we offer to redeem the "principal" in legal tenders. I think the bondholder violates his promise when he refuses to take the same kind of money he paid for the bonds. If the case is to be tested by the law, I am right; if it is to be tested by Jay Cook's advertisements, I am wrong. I hate repudiation or anything like it, but we ought not to be deterred from doing what is right by fear of undeserved epithets. If under the law as it stands, the holders of the 5-zos can only be paid in gold, then we are repudiators if we propose to pay otherwise. If the bondholder can legally demand only the kind of money he paid, then he is a repudiator and extortioner to demand money more valuable than he gave.

Truly yours,

JOHN SHERMAN.

Hon. B. F. Wade, known from Maine to California for his sterling honesty and incorruptibility, in a letter to friend, says:

VICE PRESIDENT'S CHAMBER,
Washington, December 13, 1867.

Yours of the 8th instant is received, and I must cordially agree with every word and sentence of it. I am for the laboring portion of our people. The rich can take care of themselves. While I must scrupulously live up to all the contracts of the Government, and fight repudiation to the death, I will fight the bondholder as resolutely when he undertakes to get more than the pound of flesh. We never agreed to pay the 5-zos in gold; no man can find it in the bond, and I never will consent to have one payment for the people. It would sink any party, and it ought to. To talk of specie payments, or a return to specie under present circumstances, is to talk like a fool. It would destroy the country as effectually as a fire. And any contraction of the currency at this time is about as bad. But I have not time to give my ideas in full.

Yours truly, BENJAMIN F. WADE.
Capt. A. Denny, Eaton, Ohio.

Garrett Davis offered the following amendment:

That the just and equitable measure of the obligations of the United States upon their outstanding bonds, is the value in gold and silver coin of the paper currency advanced and paid to the Government on these bonds.

He declared the resolution "robbery, and would make the people pay \$900,000,000 more than by law and equity they should pay."

Senator Bayard seconded the arguments of Senator Davis:

Suppose instead of issuing paper money it had pleased Congress to order an abasement of our national coinage. Suppose 25 per cent more of alloy or worthless metal had been interjected into our currency, and with that base coinage, men had come forward to buy your bonds. What would be thought of the man who, when the day of payment of those bonds arrived, should say, "I gave you lead, or lead in certain proportions; but for all the worthless metal I handed you, you must give me back pure gold." Whether he was more maddened or more dishonest would be the only question arising in men's minds.

The ablest men in all parties and in Congress have made that acknowledgment. To quote the language of the late Senator O. P. Morton, of Indiana:

We should do foul injustice to the Government, and to the people of the United States, after we sold those bonds on an average for not more than sixty cents on the dollar now to propose to make a new contract for the benefit of the bondholders.

And that noble old commoner, Thaddeus Stevens, expressed the sense of every true patriot in the House of Representatives when he uttered the following emphatic declarations in 1868, his voice trembling with emotion at the outrage which it was sought by powerful combinations to put into effect in the interest of the bondholders in changing the 5-zos into gold bonds:

If I knew that any party in this country would go for paying in coin that which is payable in money, thus enhancing it one-half; if I knew there was such a platform and such a determination this day on the part of any party, I would vote for the other side, Frank Blair and all. I would vote for no such swindle upon the tax-payers of this country. I would vote for no such speculation in favor of the large bondholders, the millionaires who took advantage of our folly in granting them coin payment of interest.

It might be profitable to preserve these extracts and use them in the contest which is near at hand. The sequel will show that despite these declarations and in the face of such convictions men voted to eliminate one of the three means of payment, and thereby changed the contract between the people and the holders of the bonds.

A VIEW FROM THE NORTHWEST.

Mr. A. Wardall, of Huron, Dakota, before the House Ways and Means Committee.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: In appearing before you this morning in behalf of H. R. bill No. 7162, it is not so much with the expectation of presenting new arguments upon the subject—for the gentlemen who have preceded me have treated it ably and exhaustively; but I shall confine my efforts to an attempt to throw some new light upon it from a somewhat different standpoint. Coming from the new Northwest, the granary of America, I but voice the demands of hundreds of thousands of the most thrifty, industrious, intelligent, and patriotic citizens of the Union for relief from what they believe to be unjust and injurious discrimination—an injustice so great that despite their industry, intelligence, and economy their financial condition has been growing steadily worse for many years. They have earnestly protested against this condition until forbearance has ceased to be a virtue, and millions of men have rallied to right this wrong. Think you this vast and simultaneous uprising of a patient, law-abiding class is but idle vaporizing and careless commotion? Who are they? The great plain people—the producers of the wealth of the nation, the farmers, the mechanics, the miners, the wage-workers everywhere?

Of what do they complain? Of unjust laws that rest unequally upon the people, preventing the industrious laborer from securing a just and equitable reward for his labor, and enabling the speculator, the usurer, and the unscrupulous, who are unwilling to work, to control and absorb the fruits of honest industry to the great injury of the commonwealth. Before we can suggest a remedy we must first agree upon the cause. This, after careful examination, has been done. The organization which I have the honor to represent, after full consideration, has arrived at the conclusion that the gravest evil afflicting us is caused by the great contraction of our currency at a time when a vast number of new industries had just been started, and a large amount of corporate and private indebtedness contracted in addition to the enormous public debt left by the war—the contraction practically doubling the debt by reducing the value of the products with which the money to liquidate the indebtedness must be purchased; and, also, that other evil, almost as great, of the Government practically delegating its control of the money of the country (which our Constitution expressly and wisely reserves exclusively to the Government) to the national banks, thus enabling them to contract or expand the volume of the already inadequate currency to suit their own selfish purposes, and to the incalculable injury of the productive industries of the country. Believing as we do that the Government of the people should be for the people and not for a class, and believing the Government can exercise its especially reserved functions better and more satisfactorily than any special class, whose selfish interest would be advanced by taking undue advantage of the rest of the people; and believing that a volume of currency sufficient for the convenient transaction of business was not only desirable but necessary for the restoration and continuance of our prosperity—it was unanimously agreed,

the Knights of Labor and other labor organizations concurring, to demand of Congress that it provide for "the issuance of sufficient money to meet the present wants and constantly increasing needs of the country direct to the people at a low rate of interest, and without the intervention of national banks," and to carry out the demand the present bill, known on the sub-treasury bill, was formulated and approved, and a committee appointed of which I have the honor to be a member, to present it to your honorable body with the well grounded hope that you will either approve or present something better, as we do not claim perfection for the measure.

Our claim that a contraction of the currency increases our debts and decreases our ability to pay them is so self-evident that it needs but little argument. Our great debt, contracted from 1861 to 1868, was made on a basis of \$40 to \$56 of circulating medium per capita; wheat at \$2 per bushel; horses \$200 each; cotton 40 cents to \$1 per pound, etc. The Iowa and Illinois farmer bought land at \$25 per acre, horses, harness, tools, lumber, seed, feed, etc., to improve it with—all on time—giving their notes at 10 per cent interest, relying upon a representative Government not to take any unjust advantage of them, and a benign Providence to continue to bless them with bounteous harvests with which to meet their maturing obligations. Providence justified the trust. A Congress of misrepresentatives betrayed theirs. Doubtless bribed by a horde of mercenary usurers, they passed what is known as the "credit strengthening act," but which might more appropriately be termed 'the farmers' ruining act.' Half, two-thirds of the currency of the country was withdrawn—locked up or destroyed. What followed? Values of all kinds rapidly decreased. No! I am wrong. Bank stock, Government certificates, salaries and mortgages increased at a greater ratio than other values decreased, and herein lies the secret of the passage of the infamous act. Does any one suppose that if that measure had threatened the life or prosperity of the banks and money loaners that it would ever have been passed? Bankruptcy followed fast, increasing from 500 or 600 in 1865 and 1866, with but a few million liabilities, to over 8,000 in 1868, 10,000 in 1878, and 14,000 in 1888, with hundreds of millions of liabilities. It was inevitable, and the home and fortune wreckers who disgraced themselves and Congress at that time, knew just what the result must be, and deliberately set about their wicked work that the few might reap vast fortunes at the expense of the mass of their constituents. Soon it took two bushels of wheat to pay the debt that one would have paid at time of contracting it; then three, and finally four bushels were required while the property purchased steadily decreased in value, so that when half the purchase price was paid often it would not sell for the remainder; meantime, did the note, mortgage, and rate of interest decrease proportionately? Oh no! that grew vigorously, as it was expected it would. No disappointment there! Providence failed to send the consuming fire for the benefit of the usurers—possibly it is all reserved for their future amusement—but Congress rallied nobly to do their bidding. Silver was demonetized; great sums were permitted to be locked in idleness in the Treasury vaults, while an overtaxed people were paying interest on the bonds the money should have paid.

THE NATIONAL ECONOMIST.

Fifty millions were placed in the hands of the national banks—without charge—and permission given to loan it back to its owners—the people—at any rate their greed might suggest. Small wonder then that an indignant and outraged people are rising in their wrath, and demanding in unmistakable tones a radical change of policy.

It is a hopeful sign of reform when conservative men, statesmen, financiers, and leaders in the political world, perceive and acknowledge the error of their ways, and seek, all too slowly, perhaps, for the anxious, waiting, "inconvenient multitude" with whom it is a life and death matter, but open confession is good for the soul, and when inflexible John Sherman will arise in his place in the United States Senate and acknowledge that we "need more currency!" Where every man connected with the administration, from President Harrison, Secretary Windom, Speaker Reed, and millionaire Flower to the most radical Alliance Congressmen, all concur in saying "more money is needed," the day of deliverance must be near. But how shall it be done? This bill is our idea, and here are some of its prominent features:

1. It provides for the location of warehouses at convenient points for safe keeping of our securities that we offer to procure the money we ask for. Government does the same for the national banks and the silver men, only our securities are more bulky, and convenience demands that they be located near points of production. They are only to be located upon petition of one hundred or more citizens, which shall set forth that the county raises \$500,000 worth of staple agricultural products; that an election has been held and a site agreed upon for location of such warehouse; that they have arranged for a deed of gift of said site to the United States, and have elected a manager for the warehouse. Cities get expensive public buildings in a somewhat similar manner, why not country folk?

2. It provides that any owner of any wheat, oats, corn, cotton, or tobacco may deposit the same in said Government warehouse and receive an advance direct from the Government agent of 80 per cent of its cash value at time of deposit, in full legal tender money issued for that specific purpose; that he shall pay all necessary expenses of handling, insurance, shrinkage, and 1 per cent for the money advanced, and when he gets ready to sell the grain he must pay said agent the amount of money advanced, together with charges; and an amount equal to the original amount issued must then be retained or destroyed by the Government to avoid any undue inflation of the volume of currency. It is also provided that the produce shall not remain longer than twelve months in the warehouse to avoid any tendency to hoard or speculate. We can now deposit with private warehouses and secure 80 per cent advance on the deposits, thus demonstrating that we are not asking the Government to do a business that private enterprise would avoid as unsafe, but the private method does not remedy the evil. We have to pay too high a rate for the money and too much for storage and handling, and it is practically in the speculators' hands when once it is in the private warehouse, because the expense soon forces the owner to sell; but of far more importance because the money we realize of the private warehouse man is but a part of the

money now in circulation, and the simple changing of hands does not add to the volume, and during the four or five months of harvesting and marketing we need a large additional volume of money to assist in handling the vast amount of produce suddenly placed upon the market. We need every dollar of our or any healthy circulating medium for the ordinary every day demands of business, and if you withdraw the vast sums necessary to handle our immense harvests from the ordinary channels of trade you necessarily create a stringency there and consequently a demand that enhances the value of money and depreciates the value of the produce it goes to pay for. On the other hand, if you issue sufficient money to supply all extraordinary demands, and leave it permanently in circulation, there would for half the year be a quantity of idle money seeking investment that would have a tendency to lead into unsafe speculation. We often need fifteen or twenty extra hands for harvest and threshing, but would be sorry to be compelled to keep them the year around, pay and feed them, and many of us well remember the high rates we had to pay in 1866 and 1867 for extra labor to bind by hand our harvests, because the usual vocations were employing all the help at good wages; but after we arranged for special help for that busy time an unlimited supply of hands (improved machinery) that was calculated for that specific purpose and no other, and was retired until another year, as soon as harvest was over, wages immediately regulated themselves and ceased to have the power to oppress that they possessed and exercised before. This we claim the sub-treasury bill will do, both as relates to interest on money and uniformity in price of products, by ridding it largely of its speculative character.

We maintain that the Government is justified in issuing money to any man on ample security—if it is to national banks or owners of silver bullion; that if it can look after 3,500 whisky storehouses, filled with that which ruins and debauches her citizens, that a few of her bad citizens may grow rich and accumulate millions with which to corrupt the press and the politics of the nation, it can, without a very grievous constitutional strain, attend to 2,000 grain and cotton storehouses, filled with that which brings comfort and happiness to millions of homes, enriches all, and impoverishes and degrades none, makes better citizens, and will demand purer and truer politics—and as the press is but the reflex of the public sentiment it caters to, may we not hope it will in some slight measure purify that?

The provision for election of officers to manage the warehouses is a safeguard against its being used for political or partisan purposes. We deem it perfectly practicable, not requiring a twentieth part of the machinery of our successful post-office system. Only ordinary help would be needed, such as now employed about our country warehouses. No high-priced offices are contemplated.

We believe it would steady prices and greatly stimulate industry, and while it would enhance the price to the producer by eliminating the speculators' profits largely, would not increase cost to consumer; or, if it did, the stimulation of industry, by the influx of the increased currency, would more than compensate by enhancing the price of labor and of all productive industry. As a matter of economy it would be advis-

able, as it would take less help to handle one large warehouse than five or six small ones in the same town, as is now done.

The Senate bill provides for a system of uniform national inspection, which would greatly benefit all parties by making the grades more uniform and guarding against loss by unjust discrimination. It provides for adjustment of accounts at any sub-treasury, so that as little red tape as possible shall encumber it, the object being to facilitate and stimulate industry, not to retard it. All matters of detail are left to the Secretary of the Treasury, and they can easily be adjusted as experience may dictate.

We do not demand this specific bill in all its details. It may be, possibly is, defective—alter, amend, change, substitute whatever in your wisdom you may deem best, so that you retain the principle of a flexible currency in sufficient volume for the needs of the people at a low rate of interest, direct to the people, without the intervention of banks, and upon ample security—security such as the most of the people can furnish—and not confine it to a favored few.

If you have doubts of the practical workings of the scheme, try the experiment; rent buildings at a few points in each State, or have the counties provide them temporarily, and demonstrate its feasibility. Very possibly the mere fact of your conceding the right to build the houses and loan the money, would, of itself, exert a wholesome effect. In 1884 and 1885 in Dakota, the elevator extortions became so unbearable, robbing us unblushingly before our eyes, and taunting us as the shrocks of to-day do with "what are you going to do about it?" that we appealed to the railroad companies for cars to ship our own wheat, but they replied "We can't spare a car for every farmer in Dakota to load at his leisure!" Our answer was, "We don't want to go into the shipping business, save as a protective measure, perhaps we may not ship a dozen cars, but want the right to!" It was conceded us, and it largely cured the injustice, and scarcely a farmer asked for a car. Just so in this case. We do not wish to go into banking, but more and cheaper money we must and will have. Mr. Flower asks: "How much money will it probably take?" That is difficult to answer. There are 3,000 counties in the United States; less than one-third of them would come immediately under the operation of this bill. If it proves a success, there is no reason why the range of securities should not be extended to include any non-perishable product of industry, and the minimum of amount lowered. Probably thirty to fifty millions of dollars would build the warehouses, or much less would buy and utilize those already in existence. A few millions might be clipped from the proposed appropriations for ships of war, navy yards, arsenals, and other schemes for killing people; we could possibly exist for a year or two longer without the acquisition of that "monkey park" that so much valuable Congressional time and eloquence has been recently wasted upon, if thereby this, the farmers, first request for financial relief, could be complied with.

As to the amount of money put in circulation during the year, that is another matter that experience alone can demonstrate, but as the products are five or six months in reaching market, and way from June in Texas and Kansas for wheat to November and December for the final cotton harvest the same money

would possibly be used over and over again, and as the five products named in the bill average from twelve to fifteen hundred millions a year in value, probably one-fourth of that amount would be a conservative estimate, say three to four hundred millions, but as I said, that is only a rough estimate, and may be wide of the mark.

This is not a partisan question; the Jacksonian planter of Georgia is just as urgent for the measure as the Michigan protectionist, the dyed-in-the-wool Republican free-trader from Kansas, or the Dakota mugwump, who don't care a continental which party is in power, so the Government assists him to irrigate, by means of artesian wells instead of original packages, and supplies him with money to enable him to retain the home the Government so generously gave him, and is now assisting Shylock to rob him of after he has spent eighteen of the best years of his life improving it.

It is, however, a political question of grave importance, and those inconvenient and unreasonable "hay seeds" are in dead earnest. They have signed a new declaration of independence, and nothing will retain or restore their old time fealty to party ties but prompt and decisive action. Neither party can afford to let the other lead in this reform, because it would mean certain destruction to the rear guard. Already the air is full of a fierce demand for a new party that will heed the cry of the people instead of hearkening to the silvery tones of Wall-street.

Finally, gentlemen, as lovers of your country, as patriotic citizens of the proudest and most desirable Government the glad sun shines upon, do you not realize that a Republic to be truly great, strong, durable, prosperous and happy must be made up of home owners—men who love their native land because it is theirs—and not of landlords!

Can you not see that we must be going wrong when, though we are as a nation growing rich at an unparalleled rate—piling up wealth with a prodigal hand and spending it in princely splendor, when we are building and endowing grand schools and libraries and erecting magnificent churches to the living God—that through some cruel mismanagement the people daily grow poorer and poorer. Their homes are passing from them, and soon, alas, too soon, will they be but tenants at will. Your grand schools, libraries, and churches are not for them. Ere another quarter of a century passes by, unless a halt is called and a counter-march begun, the wealth of this nation will be in the hands of the few, and the patriots who fought its battles and the pioneers who developed its resources will rise up and curse the day of its downfall and the men who were responsible for it.

AT WINFIELD, KANSAS.

President L. L. Polk will deliver an address at Winfield, Kan., on July 4, at a celebration mass-meeting. Ralph Beaumont, of the K. of L. legislative committee, one of the best known lecturers in the United States, will also deliver an address at this meeting. Mr. Beaumont will make a tour of part of the West, having several engagements already.

Faulkner County (Ark.) Wheel: "When people contemplate the present fearful condition of the agriculturists of the whole country, covered with mortgages, struggling to save their homes from the iron grasp of the usurer, they will appreciate the importance of our demand for more money."

FROM CORRESPONDENTS EVERYWHERE.

J. A. Carlton and J. B. Gay telegraph from Columbus, Texas, May 19: "Many Alliance gentlemen in town not attending to domestic affairs. Ask Congressman Flower what to do about it."

Suniter County (Ala.) Alliance forwards resolutions endorsing the sub-treasury plan, but preferring the House bill, as it makes the managers elective while the Senate bill makes them appointive. Thanks are returned to Senator Vance and Representative Pickler, and Representative Bankhead is asked to consider it as a most effectual way of helping the agricultural and laboring classes out of their distressed condition. This Alliance condemned the action of certain newspapers in the State in trying to influence the Alliance in their political duties, and are asserting their independence.

George C. Ward, of Kansas City, Mo., suggests that emphasis be put upon the co-operative features of the sub-treasury plan. These are, of course, in the insurance and storage at cost, and would be a vast saving to the people in cheapness and effectiveness.

Wild Rose Alliance, No. 1262, Osborne county, Kansas, discussed and indorsed the sub-treasury, suggesting an amendment to locate warehouses at the grain centers in each State instead of county; that the bill should include all imperishable farm products, and the notes should not be destroyed, but used like other Treasury notes.

"Tar Heel," who also sends his name, is satisfied that if Secretary Windom will examine the tax returns he will conclude that there is not really more than 25 cents per head of family in circulation instead of \$22.36 per capita he professes to find. That seems to be the quota down in Rowan county, North Carolina, where "Tar Heel" lives, and where the producers rustle from daylight till dark to make for market what the Secretary's pets, the speculators, put prices on.

G. A. Flournoy, West Monroe, La., says he thinks "the all-important thing is to impress on all the absolute need for an adequate supply of good money any way we can get it. That is just and equitable; and next, the proportionate levy of taxes to a man's ability to pay, and spending the same for the benefit of all the people."

E. R. Arnold, of Arkadelphia, Ark., says many persons in his section have never seen the sub-treasury bill, and there is considerable discussion arising from want of specific knowledge. The bill has been published several times in THE ECONOMIST, and a number of copies go to that place.

N. G. Massey, secretary of Hamilton Alliance, North Dakota, writes a most flattering letter to THE ECONOMIST. He says his county has unanimously endorsed consolidation, and declared that "we believe that the two present political parties have outlived their usefulness, and declare ourselves in favor of starting a new, clean, and as pure a party as possible."

Sebastian County (Ark.) Alliance is averse to partisan politics, and will vote for no man for the legislature who will not pledge himself to support no man for United States Senator who will not pledge himself to support the demands made by the National Alliance on the federal government.

F. M. Jolley, Monterey, Cal.: "What will the present Congress do, if anything, to relieve the distress of the farmers and laborers? The time is short for many who are mortgaged. If not relieved soon their homes will be taken from them and they will be homeless, and many will be obliged to tramp the highways with little or no hope of ever securing a home again. Does not the desperate condition of the toiler justify them to march to Washington in mass and demand relief of Congress?"

Jas. P. Stevenson, of Augusta, Ky., has evolved a proposition worthy of consideration among the many now current. Some such plan has been suggested by several economists to arrive at what is called the "level price" of all products, and accepting the maxim of Ben Franklin, that "labor is the measure of value," a broad line of inquiry is opened up to the student. The correspondent's letter is given in full, suggesting a plan to allow the expansion and contraction of money without altering the force of existing obligations: "What is to hinder a State law authorizing some designated State officer to estimate annually, semi-annually or monthly the purchasing power of a dollar, and to send such estimate

when made to some specified county official in each county in the State, there to be recorded and then published in the local papers, and requiring settlements to be made upon this basis i. e. comparing the purchasing power of a dollar at the time and place the debt was contracted, or the contract made, with that at the time and place of the settlement? Congress authorizes the Director of the Mint to make annually such estimate of the (intrinsic) values of standard coins in circulation of the various nations of the world, and the States fix the rate of interest. Why not go a step further in this line, and thus mitigate the evil effects of what seems to be an unavoidable fluctuation in the purchasing power of our currency? The plan is entirely original with me, and I know not that it is either practical or legal, or that it has ever been previously suggested as a relief from the evils of which I speak."

The Tariff Farce.
BY MERLINDA SISINS.

Wall Street, Congress & Co. are again attempting to make the tariff racket a leading issue, in order to keep the wealth producers about equally divided in the two old parties, one half howling for protection and the other half for free trade. While it don't make a cent's difference to this set of Congress—the money power—which half wins, by the agitation of the tariff farce they hope to succeed, as they have done in the past, in keeping the minds of the masses from seeing the gigantic wickedness of the class-legislation which clothes plutocracy in purple and fine linen and industry in rags. All they fear is that the party shackles will loose their grip on the people, and they will vote together for their own interests. When the Democrats are in the majority, Wall Street brings out the Morrison or the Mills bill. When the Republicans are in power, the same boss brings out the McKinley bill. Judging from the success of this scheme in the past, if the fool-killer had been very active, there wouldn't have been very many left to vote for either party.

Lincoln said: "You can fool all the people a part of the time, a part of the people all the time, but you can't fool all the people all the time." And from present indications this partnership of Wall Street and Congress will find it out some time during the fall of 1890. These schemers, seeing this uprising among the farmers and wage-workers, have embodied in the McKinley bill an increase in the duty on some farm products, and, with a great flourish of trumpets, say the poor farmer needs more protection. If he does, why have not they given it to him long ago? While the farmer has been accidentally overlooked in the past, the "infant industries" have received the yearning solicitude of patriots and statesmen until their owners have become autocrats and plutocrats. While this McKinley bill has been in the throes of parturition, the purse-lined emissaries of those "infant industries" have thronged the doors of the committee of Ways and Means, using their moral influence for self-aggrandizement, while the farmer has been in the field and the mechanic at his bench. The bill shows the result. The duties on tin-plate, table and pocket cutlery, razors, hosiery, underwear, woolens, etc., are largely increased and often doubled. This bill carries out the plan of the present law, by fixing high duties on the necessities of life and leaving low duties on jewels and luxuries, with the exception of reducing the duty on refined sugar from about two cents to four-tenths of a cent per pound, and at the same time giving a bounty to the Louisiana growers of two cents per pound, which

will require about \$7,000,000 annually. Why haven't the wheat and corn-growers been given a bounty in the past when they were poorly protected, as the friends of this bill say they have been? This whole tariff jugglery is a delusion and a snare. The farmers have been told, in every campaign, how rich they would get from having the beautiful "home markets" that protection would build up, while the laborer has been told what high wages it would bring. What has been the result? Agriculture prostrated and millions of laborers on a strike for higher wages. While the manufacturing "infant industries" have got all the milk, the farmers and laborers have chased around the outside and squealed, except election days, when they have marched up and voted for more protection. Will they be fooled again, or will they consolidate upon their own platform, and demand more money issued direct to the people, free and unlimited coinage of silver; abolition of gambling in options; no alien ownership of land; recovery of railroad and corporation land grants; no class legislation; transportation lines to be owned by the Government; abolition of trusts and the adoption of the Australian ballot system? The great contest is not between the threadbare issue of protection and free trade, but between plutocracy and poverty. Keep it there.

The Director of the Mint Corrects.

TREASURY DEPARTMENT,
BUREAU OF THE MINT,

WASHINGTON, D. C., May 15, 1890.

EDITOR OF THE NATIONAL ECONOMIST: My attention has been directed to a criticism by N. A. Dunning, in your issue of the 17th inst., of the letter of the Secretary of the Treasury, published in the same paper.

Permit me to say that Mr. Dunning has fallen into an error in using the table on page 128 of my last fiscal report (Report of the Secretary of the Treasury, 1889) as to the amount of gold, silver, and paper money in actual circulation in the United States. The table which Mr. Dunning makes use of is one showing the "ownership of gold and silver in the United States." The location of the moneys of the United States is presented in a table on page 129 of the same report. Permit me to say further that there is no duplication in the figures presented in the Secretary's letter as to the amount of money in active circulation in the United States. It is true that the gold and silver certificates in active circulation have been included, but it is also a fact that an equal amount of gold and silver held in the Treasury for their redemption has been deducted.

Very respectfully,

E. O. LEECH,
Director of the Mint.

MR. DUNNING'S REPLY.

In order to discuss the question of currency with any degree of intelligence or satisfaction, it is necessary to make use of the reports of at least four different bureaus connected with the Treasury Department. That of the United States Treasurer, Director of the Mint, Register of the Treasury, and Comptroller of the Currency. In these reports, however, some of the tables given referring to the same matter are designated under different heads, and in consequence are rather confusing. I was discussing the tables given by the United States Treasurer in his

last report, pages 10 and 11, of the estimated amount of currency outstanding. In these tables the amount of gold and silver is given in gross, which I deemed not sufficiently clear to serve my purpose. In order to make my proposition as plain as possible, I used a carefully prepared table of the Director of the Mint which gave both the estimated amount outstanding and its probable location. The footings of the tables given by the Treasurer as outstanding, and those of the Director of the Mint as "Ownership of Gold and Silver in the United States" and "Location of the Moneys of the United States" are precisely the same. The table on page 128 referred to, is exactly the same in totals as the one on page 129, and both might come under the head of "amount outstanding" without doing violence to their intent or correctness. It is a mere distinction without a difference. I used the table intentionally for a definite purpose, and contend that in so doing I neither perverted the facts contained or the explanations sought in the table, but did succeed by its aid in making plain an otherwise obscure proposition. As regards the duplication of amounts by the Secretary of the Treasury, I think I have sufficiently explained that in previous communications.

COLORED HOMESTEAD COMPANIES.

The formation of a land investment company composed exclusively of colored co-operators recently in Atlanta, has caused some comment by the daily papers which exhibits the prevailing ignorance of the real sentiment and aspirations among those people. It is heralded as the first adventure of the kind, whereas it is really very far from being the first. The last meeting of the Colored National Alliance at St. Louis formulated a plan for such enterprises, and quite a number are already in operation, the first being in Texas, and Georgia being the last of several States to avail of the plan. The truth is, the Colored Alliances recognize that the colored farmers must help themselves, and it is wonderful how self-reliantly they are getting about doing it. The politician is discarded, and practical co-operation called in, with exchanges in several of the most central Southern markets to attest its success.

SATURDAY, May 17, Senator Vance introduced a resolution in the Senate to have printed 5,000 additional copies of the sub-treasury bill (S. 2806) for use of the Senate. It was stated that the first lot had been exhausted in both Senate and House document rooms. Passed unanimously.

THE ECONOMIST notes with sorrow the death of Charles Astor Dines, the twelve-year old son of J. B. Dines, business agent for Missouri. Deceased won the esteem of those who visited his father's office, and was a youth of great promise.

THE Alliance is growing rapidly in the North and West. If the present growth continues it won't be long before nearly all the States will be in line, and then good bye to sectionalism.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Texas Labor Journal (San Antonio) moralizes:

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

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

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

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

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

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

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

The Labor Advocate (Birmingham, Ala.) says:

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

The Kingman (Kan.) Journal says:

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

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

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

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

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

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

The Alliance Farmer (Selma, Fla.) questions:

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

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

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

The Toiler (Nashville, Tenn.) says:

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

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

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

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

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

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

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

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

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

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 12.

THE NATIONAL ECONOMIST

SATURDAY, JUNE 7, 1890.

TABLE OF CONTENTS.

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

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.