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THE NATIONAL ECONOMIST.

Louisiana Weekly Journal (Homer, La.); this idea is growing:

Many of the members of this body have been in office for many years, so much so that they have become, in a sense, an office-holding class. Many of the Senators are very wealthy men, and numbers of others are attorneys of wealthy corporations and monopolies. They do not come directly from the people and in no sense directly represent their constituents. There is about the body an air of haughtiness and arrogance which should not characterize the servants of the people of a republic. The Star Chamber methods which the Senate seek to enforce, at least in regard to a portion of its proceedings, has directed public attention to the arrogance of the body and given rise to suggestions and plans to bring the Senate into closer relations with the masses. The Senators should, we think, be chosen by a direct popular vote, and the term of office should be reduced to at least four years. This would bring the Senators into closer sympathy with the people and lessen in no small degree the haughtiness and contempt for the masses which is at present manifested by the American House of Lords. The Senate is too far from the people. The body should be popularized by changing the manner of the election of the Senators and shortening the term of office.

Farmers Voice (Chicago, Ill.); this is the style of goods that paper keeps on sale:

Two-thirds of the farmers in both Dakotas are under the dominion of the Shylock terrorists, who thus pollute and degrade American citizenship to serve their own base and criminal ends. A half a dozen London and Boston loan and investment companies, by the aid of their deputy loan sharks on the spot, can govern the two Dakotas with the same absolute authority, which the Czar exercises in his distant Siberian provinces. In other days we have heard representatives of these loan shark brigands detail with great unction and delight how they bulldozed the debtor farmers, and made them work and vote against their own friends and political principles. Farmers! Patriots! was not this a virtual assassination of our American liberty. Does it not rob the citizen of his individual birthright, and also of his priceless franchise as a unit of power in our Republican Government, and yet this high treason against our Democratic institutions has neither name nor penalty on our statute books—more is the infamous shame of it.

The Butler (Mo.) Local News says:

The effects of organization, associations, and interchange of ideas, is becoming more and more apparent. Confidence in each other, and enlightened comprehension of the cause and relief of our material condition has superseded the indifference and partisan rancor of a few years ago, and people are becoming independent enough to belong to themselves.

National Free Press (Washington, D. C.) says:

The bankers of the country protest against Senator Stanford's bill to make money plentiful on the ground that it will ruin the bankers. What of that? There are a few hundred bankers in the country, but over 65,000,000 of other people, and as long as money is scarce the bankers can oppress and plunder the people at pleasure. The Free Press favors Senator Stanford's monetary scheme on the ground that without cheap and abundant money the people of the country will be ruined. The bankers confess, by this argument, that their trade flourishes only at the expense and distress of the people generally. This is a flat confession that their business is a source of disasters to the people, and if they can not flourish except at the expense of the people, let them go to the wall. The pirate, on the same grounds, could complain that the enforcement of the law broke up his business, and therefore he protested against the law and its enforcement. But the pirate's protest does not avail much, and neither will the banker's.

The Pacific Union (San Francisco, Cal.); just the right conclusion:

One thing, however, is pretty plain at the present time, and that is that quite a considerable number of old subsidized humbugs in our national capital, who have enriched themselves by selling their country, are getting to be badly frightened. The petitions that come flowing in from the people, together with the watchful vigilance of the great Farmers Alliance and Industrial Union, seem to be making their situation exceedingly unpleasant. No doubt they are

eagerly watching for an opportunity to repeat their former acts of treachery, and hand over their constituents again to the tender mercies of the blackhearted pickpockets of Wall street. Seeing, however, the coffin and winding-sheet, also the deep, dark grave of political oblivion into which the people are preparing to bury them out of sight of honest men, they shudder.

The conclusion of the Globe Democrat is that the want of capital is one of the worst drawbacks to success in farming. It says:

A large majority of the farming population are comparatively poor, even when they own the land which they till. They have no money to buy stock when corn is low, and are obliged to sell their grain as soon as it is threshed or gathered for whatever they can get. Thus they are at the mercy of influences which they might control in a considerable degree if they were blessed with a little capital.

The Alliance Farmer (Selma, Fla.); good advice:

The brightest jewels that great Farmers Alliance garners are the benedictions of widows and orphans, whose hearts have been made glad by the kind and gentle help of the brethren, but the next brightest to be garnered are the luke-warm, lazy members who have dropped out of the Alliance ranks, and are not doing a brother's part in the duties of the hour, and must be brought into the fold again. Let each active member see to it that these jewels are returned, and thus prepare a crown studded with such gems.

The Arkansas (Seary) Economist says:

The discontented mutterings of to-day are but the rumblings of smouldering convictions that always plunge forth sooner or later. Similar circumstances in the past have produced similar evidences, the culmination of which is written over again and again in the record of the ages past. Some will sleep until they are submerged in the flood-tide of revolution and driven away in relentless flow. So it has ever been "the gentleman may (and do) cry peace." There is a consciousness of injustice that enticing words can not remove.

Labor Journal (San Antonio, Tex.); let every farmer read this twice:

What fine weather this is for farmers; plenty of moisture in the ground, the land in fine condition, and farmers well up with their work, but let us warn you brother farmers that your organization is part of your business, for without concerted action on your part and in your own behalf, you will surely make a failure of farming, though your crops be as abundant as Carter's rats. It is one thing to raise a crop and reap the benefit thereof, and another thing to raise it and have it filched from you through a vicious, thieving and wrong system of distribution of the wealth created by your incessant toil.

Labor Advocate (Birmingham, Ala.); true:

It is a mistake to suppose that the rich man maintains his servants, tradesmen, tenants, laborers, the truth is, they maintain him. It is their industry that supplies his table, furnishes his wardrobe, builds his houses, adorns his equipage—provides his amusements. It is not the estate but the labor employed upon it that pays the rent; all he does is to distribute what others produce, which is the least part of the business.

The Weekly Chillicothe (Mo.) Crisis. The plain truth: There is no doubt whatever that the Democratic Western Congressmen, after talking Greenback doctrines from thousands of rostrums, consented by silence to Wall street having full sway in the financial legislation and administrative financial policy. They did this to carry New York. They did it from 1876 to 1880, from 1880 to 1884, and from 1884 to 1888. Now, the New York electoral vote is a nice thing to have, and goes a great way toward electing a President, but it is dear, very dear, when the price is a surrender of the people's dearest interests to a vicious financial system.

The Alliance (Iowa) World; ask something easier:

A few days since about one thousand foreigners of the lower class arrived at New York. Eighty per cent of them went right into the mines about Pittsburgh and vicinity. They were undoubtedly brought over under contract to labor, in violation of law. But what good does the law do? What can Government do to protect the labor market when the Government is owned by the great corporations of the East? What is the talk about "the pauper labor of Europe" worth when that same labor is imported by the ship load for the purpose of displacing "protected" American laborers?

THE NATIONAL ECONOMIST.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III. Number 3.

THE NATIONAL ECONOMIST

SATURDAY, APRIL 5, 1890.

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WASHINGTON, D. C.

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THE NATIONAL ECONOMIST.

Friends of The Economist Please Notice.

Petitions are now coming in freely from all parts of the country. The chairman of the Legislative Committee desires to acknowledge receipt of all resolutions and petitions, but finds it impossible to do so, owing to the fact that few of them contain the post-office address of the sender. They usually sign the name of the president and secretary of some Alliance or Union, giving the number of the Alliance or Union, but they often omit the post-office. Consequently those who do not receive acknowledgments of the receipt of the petition or resolution, will know it was because no post-office was mentioned to which reply could be sent.

The Kansas Alliance.

The following is an outline of the resolutions adopted at Topeka, March 27, by the Farmers Alliance conference in session there:

1. Demanding legislative enactment apportioning the shrinkage of farm values, that are under mortgage obligations, by reason of a contraction of the circulating medium, or other unjust legislation, between the mortgagor and the mortgagee in proportion to their respective interests at the time the mortgage was drawn.

2. Demanding that Congress appoint a committee to investigate the original bill relating to national bonds, for the purpose of ascertaining whether the word "for" was erased and the word "after" substituted, making the bonds payable with the premium of 20 or 25 per cent.

3. Demanding the election of United States Senators by direct vote of the people.

4. Demanding the election of railroad commissioners by direct vote of the people, and that they be given plenary powers to regulate rates, as is now the law in Iowa.

5. Demanding that an amendment to the State constitution be submitted to the people, allowing the legislative enactment of exemption of homesteads, occupied by their owners, from taxation, and that a cumulative system of taxation be levied on lands held for speculative purposes by non-residents, aliens, or corporations, in proportion to the increase of valuation.

6. Recommending to the organization by the Alliance of a lecture bureau, which shall provide lecturers for the better education of the members of the order.

7. Recommending that the taxes paid by railroads built by the aid of county bonds shall be part of the county school funds, and where townships are bonded, taxes so accruing shall be divided among the school districts of the townships.

The eighth resolution, denouncing Senator Ingalls' course, has already been published.

A proposition to make the Alliance a political organization was defeated.

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. Ma-
cune and A. Wardall.

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

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dolph.
Secretary—J. P. Oliver, Dadeville.

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President—John E. Russ, El Paso.
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Secretary—E. C. Reddingfield, Raleigh.

SOUTH CAROLINA.

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Rock.
Secretary—J. W. Reid, Reidville.

TENNESSEE.

President—J. B. Buchanan, Murfrees-
boro.
Secretary—Eth. B. Wade, Murfrees-
boro.

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President—J. D. Fields, Marrow.
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.

Lecturer Ben Terrell's Appointments.

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

Kentucky, 2d April to 16th April.

Indiana, 18th April to 2d May.

Wisconsin, 6th May to 20th May.

Dakota, 23d May to 10th June.

Nebraska, 12th June to 24th June.

Colorado, 26th June to 10th July.

Kansas, 12th July to 19th July.

Indian Territory, 22d July to 30th July.

Missouri, 2d August to 16th August.

KENTUCKY.

Morganfield, 1 o'clock, April 7.

Owensborough, 1 o'clock, April 8.

Madisonville, 1 o'clock, April 9.

Hopkinsville, 1 o'clock, April 10.

Russellville, 1 o'clock, April 11.

Bowling Green, April 12.

Lexington, April 14.

Winchester, April 15.

Mount Sterling, April 16.

INDIANA.

Paolia, 1 o'clock, April 18.

Bedford, 1 o'clock, April 21.

Shoals, 1 o'clock, April 23.

Bloomfield, 1 o'clock, April 25.

Anderson, 1 o'clock, April 28.

Tipton, 1 o'clock, April 30.

Logansport, 1 o'clock, May 2.

INDIAN TERRITORY.

Pauls Valley, July 22.

Dougherty, July 24.

Colbert, July 26.

Caddo, July 28.

Eufala, 2 p. m., July 30.

PREMIUMS FOR CLUBS.

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

CLUBS OF TWO.

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

CLUBS OF FIVE.

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

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

CLUBS OF SIX.

A copy of Volume 1 of THE NATIONAL ECONOMIST, neatly bound in strong paper.

CLUBS OF TEN.

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

One year's subscription to THE NATIONAL ECONOMIST.

CLUBS OF FIFTEEN.

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

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

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., APRIL 5, 1890.

NO. 3.

STATISTICIAN DODGE REVIEWED.

The Department of Agriculture has recently issued by its statistician, J. R. Dodge, Report No. 71, entitled "Report on Distribution and Consumption of Corn and Wheat and on Freight Rates of Transportation Companies." It is dated "March, 1890." This report has received much favorable attention from the press, and especially from that class of the press which is not conspicuous for being friendly to the farmer or his interests. Long before such papers could have properly digested the figures of Statistician Dodge, they come out in editorials accepting all that he has said and make a great fuss over what they now offer as a fact that he has so ably proved, that the cause of the depressed condition of agriculture is overproduction of wheat and corn. True, some of the Democratic papers accept these conclusions only partially, because they have been teaching that high tariff was principally to blame, and some of the Republican papers are loth to swallow this doctrine because they have been teaching that low tariff was mostly to blame, but both accept it ostensibly as true, but really as a good side track upon which to switch this troublesome agitation the farmers are now engaged in.

It should be understood that a review of the figures and conclusions of Statistician Dodge, even if a thorough examination and fair conclusions convict him of gross error and probable insincerity, does not in any way reflect upon the Department of Agriculture or upon Secretary Rusk. The statistician is an expert (or is supposed to be), who retains his position during the administration of both parties, provided there is no good cause for his removal.

The figures and statements of Mr. Dodge, in the report in question, have been thoroughly analyzed with a view of using the statistical facts of the present year to assist in securing a proper conception of the solution of the now pressing economic problems. First, his statements of the situation were compared with his own figures and found erroneous, then his conclusions were compared with the facts demonstrated by his own and other Government reports and found to be false; in fact the main features of the report is found, as shown by the following analysis, to be such a mass of contradictions and wrong deductions as to justify the conclusion that Mr. Dodge,

if competent, is very insincere, or if sincere, is very incompetent, and in either event has entirely survived his period of usefulness in that position to the agriculturists of America.

Mr. Dodge says, on page 89: "There has been an increase of production in this country, even more rapid than the increase of population;" and on page 90, "In wheat overproduction has destroyed the growers' profit," and on page 92, "So long as farmers insist on growing only the bread grains, cotton, tobacco, and cattle, and to neglect other products which are needed, which we import at a cost of more than \$200,000,000 annually, just so long will the lamentation over low prices continue. Diversification is essential to agricultural salvation." The tenor of his conclusion is to discourage raising wheat, corn, and cotton, and to encourage the production of jute, ramie, sugar, nuts, wines, etc. This he urges on account of the low prices which prevail for wheat, corn, and cotton as a result of the overproduction of those staples that he claims his figures demonstrate. His own figures show the gross product of wheat, for the five years of 1880-81-82-83-84, to be 2,319,866,-588 bushels, and the gross crop, for the five years of 1885-86-87-88-89, to be 2,177,087,000 bushels, or that the crop for the first five years in '80 was 142,-779,588 bushels greater than the crop of the last five years in '80. Still he falsely asserts, as above stated, that "there has been an increase of production in this country even more rapid than the increase of population." The increase of population is never less than 3 per cent, and, therefore, the population having been 50,000,000 in 1880, it was 57,500,000 in 1885, and the average population from 1880 to 1885 was about 53,750,000, and estimating by the same rule the average population for the last five years of '80 was 61,812,500, and this shows that while the former five years produced 142,779,588 bushels more wheat than the last five years, the last-named period had 8,062,-500 greater population than the former five years. This is in fact the opposite from production increasing faster than population. But he will claim the decrease in the amount exported has more than compensated for this condition. A reference to the official reports of the United States, after reducing the barrels of flour to bushels of wheat, by multiplying by six, shows the exports for the first five years of '80 to have been 700,130,768 bushels, and for the last

five years of '80 to have been 559,259,798 bushels, or 140,870,970 bushels less exported during the last five years of '80 than during the first five years of '80, and this amount subtracted from the actual decrease in yield during that period shows an actual net amount of wheat presented for consumption in the United States for the last five years of '80, of 1,908,618 bushels less than during the first five years of '80. By applying these figures still further the following is found to be true: The average yearly yield of wheat for the first five years was 463,973.317 bushels, and as has been shown the average population for that period was 53,750,000, which made the amount of wheat per capita for consumption, after deducting average export and 8.3 per cent for seed, 5,53-100 bushels of wheat per year. This reduced to flour gave each inhabitant for consumption each day 8 ounces of flour. By applying the same method of calculation to the crop of the last five years of '80 it will be found that the average gross yield has been 425,417,400 bushels, which made the amount of wheat per capita for consumption, after deducting the annual export and 8.3 per cent for seed, 4,65-100 bushels of wheat per year. This reduced to flour gave each inhabitant for consumption each day 6 72-100 ounces of flour. This shows that by using all the wheat produced every person in the United States has been compelled to use one and a quarter ounces less of flour every day for the last five years than they did for the five years preceding. From twenty to twenty-four ounces of flour is the ration allowed a soldier, and yet the people of this country only average six and three-quarter ounces on account of this over-production Mr. Dodge so emphatically proves (not) to exist. But a condition in which the common people are revelling in less than one-third rations is not the only evil of this over-production dodge. There is another witness yet to be interviewed, whose plain but simple truths give the most emphatic lie to the conclusions expressed in the report. Mr. Dodge bases his whole superstructure on the foundation that supply and demand regulate price. He admits that prices have fallen, and then distorts facts and figures as above shown to prove the overproduction. By taking his own figures as to the average farm price from 1880 to 1890, it will be found that the average for the first five years was 90 cents per bushel, and the average price for the last five years was 70 9-10 cents per bushel. This shows that in spite of the fact that the gross production of wheat has diminished and the total population and consequent consumption has increased so as to compel an individual decrease in the amount of flour consumed daily of 19 per cent from what it was from 1880 to 1885; nevertheless, in spite of that, the price has fallen from 90

cents to 70 cents per bushel. Such reports as the one in question are an insult to the intelligence of the American people, and Mr. Dodge, as well as the power he so faithfully represents by such sophistry, had better beware how they tantalize the honest, conservative but intelligent and determined producers of this country, because once aroused they might rend that power limb from limb and assert their freedom from the "power of money to oppress."

It is presumption to teach economy, industry and diversity to the most economical, most industrious and the most diversified in occupation of any class on earth. It is worse than useless to longer try to divert the farmers of this country—like a small babe with a rattle—by efforts to get them interested in trifles, that they may longer hold still and be robbed. They are fully alive to the situation, and have come "to the frolic" to demand justice. There is one overshadowing cause for the depressed condition of agriculture. The farmers have discovered it, and it was natural that they should discover it first. It is faithfully described and an efficient remedy offered in the sub-treasury plan adopted by the National Farmers Alliance and Industrial Union. Some of the city farmers who wear No. 2 shoes, and wear their eyes so close together that they need but one spectacle, haven't enough brains to understand that plan. Many of the leading papers of the country have ridiculed the plan severely, but one fact stands out bold and prominent; not a man or paper has dared offer a legitimate argument against the principles involved.

NATIONAL BANK CURRENCY.

	Issued.	Retired.
National bank notes for Oct., 1880.....	\$644,115	\$2,283,432
" " Nov., 1889.....	507,435	2,884,653
" " Dec., 1889.....	379,255	2,795,037
" " Jan., 1890.....	542,205	3,130,321
" " Feb., 1890.....	951,840	3,326,586
	3,024,850	14,420,039

Net decrease, \$11,395,189.

The net decrease of circulation during the month of February was \$10,276,963.

With a currency regulated by proper and legitimate methods, it would be impossible to take from circulation under any pretext this vast amount of the life-blood of business in any one month. A financial policy which permits it is simply monstrous, and in the end will destroy all individual efforts.

THE readers of THE ECONOMIST are in this issue again presented with a splendid article from the pen of "Harry Hinton." His "Poor Boy at the Frolic" should be read by all classes, and it will benefit each. It will encourage the farmer and all other reformers. It will surprise the powers that be and should induce them to call a halt and ponder well their methods.

A FINANCIAL HISTORY.

COURSE AND EFFECT OF LEGISLATION SINCE 1861.

No. 9.

It may be of interest to understand what the navy pension fund is, and where it originated.

This fund was first created by section 9 of the act of March 1, 1799 (1 Statutes, 716), which act was repealed by the "act for the better government of the navy of the United States," approved April 23, 1800 (2 Statutes, 45), and the fund was re-established by section 9 of the last-named act, which is as follows:

That all money accruing or which has already accrued to the United States from the sale of prizes shall be and remain forever a fund for the payment of pensions and half pay, should the same be hereafter granted to the officers and seamen who may be entitled to receive the same; and if the said fund shall be insufficient for the purpose, the public faith is hereby pledged to make up the deficiency; but if it should be more than sufficient, the surplus shall be applied to the making of further provision for the comfort of the disabled officers, seamen, and marines, and for such as, though not disabled, may merit, by their bravery or long and faithful services, the gratitude of their country.

Section 5 of the same act is as follows:

That the proceeds of all ships and vessels, and the goods taken on board of them, which shall be adjudged good prize, shall, when of equal or superior force to the vessel or vessels making the capture, be the sole property of the captors; and when of inferior force, shall be divided equally between the United States and the officers and men making the capture.

By the same act the management of the fund was placed under the direction of the Secretaries of the Navy, Treasury, and War, for the time being, and they were required to lay before Congress, annually, in the first week of its session, a minute statement of their proceedings relative thereto.

The act of March 26, 1804 (2 Statutes, 293), provided that the money accruing to the fund should be paid to, and disbursed by, the treasurer of the United States; and the act of April 16, 1816 (3 Statutes, 287), provided other means to enable the commissioners more effectually to secure its interests.

On the 1st of March, 1837, the fund amounted to \$1,115,329.45, yielding an annual income of \$68,101.33, while there were 308 invalid pensioners, 158 widow pensioners, and 95 children pensioners, receiving in the whole pensions amounting to \$68,489. In other words, the fund was sufficient to pay all the pensions chargeable upon it. On March 3, 1837, Congress passed a law which swept away the whole fund, the annual income of which had theretofore been sufficient not only to pay the pensions originally chargeable upon it, but also to pay, in addition, the renewals of the five-years pensions. By it the widows and children of those who had died or might die a natural death while attached to the naval service were allowed half pay during widowhood and the minority of the children, to commence from the time of the death of the officer, seaman, or marine; and also invalid pensioners were entitled to draw their half pay from the time their disabilities occurred. * * * A more effectual method to dissipate the whole fund could not have been devised under the semblance of its more equitable distribution, as that act was entitled. By its retroactive operation enormous sums were drawn. A single widow drew for arrears of pension \$22,950. Officers then and still in service, and in full pay, received sums of \$4,000 and \$5,000 each for their arrears. * * * Since the exhaustion of the fund the government has redeemed its pledge to keep the fund good as regards the disabled pensioners (see "Report of Committee on Naval Affairs," No. 531, 1st sess. 28th Cong.).

In his annual report of December 2, 1867, the Secretary said:

The naval pension fund has been increased during the year \$1,250,000, making the aggregate at the present time

\$13,000,000. This amount having accrued to the United States from the sale of prizes, the public faith is pledged that it "shall be and remain forever a fund for the payment of pensions to the officers, seamen, and marines who may be entitled to receive the same." It is also provided that if the fund shall be more than sufficient, the surplus shall be applied to the making of further provision for the comfort of disabled officers, seamen, and marines. To partially comply with this requirement, the act of March 2, 1867, provides for giving a cash pension in lieu of a home at the Naval Asylum to those who have been twenty years in the service, and authorizes relief for a specified time to those who have been disabled after ten years' enlistment. The benefit of this act has thus far been given to but seven persons, and though the number may be considerably increased, it is probable that a portion only of the surplus will be used in this way. I recommend, therefore, that the pension laws applicable to the navy be revised, and such an increase in the rates of pensions be authorized as the funds will warrant. The entire principal of the fund was earned by the officers and men of the navy during the recent war, and it is eminently proper that its benefits should be enjoyed by those whom the war has deprived of other support, as contemplated by the statute.

By the second section of the act of July 23, 1868 (15 Statutes, 170), it is provided:

That the interest on the fund known as the naval pension fund shall hereafter be at the rate of 3 per cent per annum in lawful money, and shall be applicable exclusively to the payment of the navy pensions according to existing laws.

Although taken up in the debt statement September 1, 1866, and thus apparently made a part of the outstanding debt, it can hardly be considered as a part of the public debt of the United States. Since the passage of the act of July 23, 1868, the interest on the fund seems to be properly a permanent appropriation of \$420,000 per annum, applicable exclusively to the payment of navy pensions.

Hugh McCulloch was appointed Secretary of the Treasury March 7, 1865, in place of W. P. Fessenden. He began at once to inaugurate a system of financial economies that has been the curse of the country ever since. He advocated the most brutal measures regarding currency that were ever practiced in any nation. Having learned the "power of money to oppress" while in England, he had the heartlessness to deliberately conspire with others to fasten similar conditions upon his own people.

Secretary McCulloch understood the manipulation of the currency of a country and its benefits to certain classes under certain conditions far better than most men at that period. He it was who made John Sherman the relentless foe of cheap money that he is, and induced him to eat his own words and go back on his previous statements. In fact, the rich London banker, with his English system of finance, is the source from which may be traced nearly all the financial disasters of later years. Up to the time of McCulloch, excepting the brief term of Mr. Fessenden, Secretary Chase had conducted the affairs of the Treasury since 1861. No doubt Mr. Chase undertook to discharge his duty in the interest of the people, but he soon became filled with the idea of his own fitness for President. This feeling became so intense that he soon undertook to make himself solid with the banking interests of the country on the usual terms. But when Mr. McCulloch took charge of that department he needed neither prompting nor advice, but began at once to take the lead in any and all measures that would contract the volume of money and thereby increase its "power to oppress."

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

Just now there is no comment at hand on the fellow who fails to give people credit for appropriated items. He is but little better than the editor who credits to "Exchange" the best paragraphs in his paper.

The Georgia Press Association in Savannah, March 30, is reported as having unanimously adopted a set of resolutions, introduced by Mr. Larry Gantt, of the Athens Banner-Watchman, pledging the press of the State to the cause of the Alliance. The News and Courier (Charleston, S. C.) reports:

The solemnity of the scene for the next minute was almost amusing. There were the editors of the influential papers in every section of Georgia, men who are daily pattering the Alliance on the back in a non-committal way. But when these resolutions, which were rather strong, were thrown among them they sat mute. The hush was somewhat remarkable. Some faces twitched, but not a word was spoken. It was just a little more than the editors cared to swallow, and yet they did not see an easy way out of it. When a vote was taken there was no opposition, and the resolutions were declared carried unanimously. The pill was taken with ill grace, but Mr. Gantt pushed it down the throats of his brothers.

The Signal (Manhattan, Kan.) says:

Notwithstanding our unbounded prosperity and the unparalleled crop of last year, the registrar reports 150 mortgages filed and 149 released during February in Riley County. The chances of getting out of debt with another good crop are not so good as they might be.

The Kansas Commoner (Newton, Kan.) says:

The only farmer to-day, in any portion of the world who is actually in prosperity, is inside the boundaries of France, and the farmers of that country have more money per capita than those of any other country in the world. The money circulation per capita in France is \$42.

South Kansas Farmer (Moline, Kan.) tells how it is done out West:

Do not give in to the assessor any statistics whatever as regards acreage of different crops you intend to plant this year. This is only taken for the benefit of grain gamblers under the guise of boozing the State. If they insist tell them "none of their business" how much you plant or intend to plant. Tell them also that they may report that you will raise a large acreage of crab grass and sunflowers if something is not done for your relief.

The Lebanon (Kan.) Journal says:

It has become almost a second nature to the people, when a few millionaires form a board of trade and deal in futures, as though they had a lease on it, to call it "speculation." Is it speculation or legislation that allow these boards of trade to commence govern the price of produce long before it is planted and thus throw the agricultural classes at the mercy of the bulls and bears, who give them just enough of their own products to let them live, while the money combination finishes the job of absorbing the wealth of the real producers? They call it speculation. Possible, but it looks a good deal more to the average farmer as though it was a lack of legislation.

The Arkansas (Searcy) Economist gives a warning all Alliance men should heed.

We would warn our friends against selecting for office men who have neither said nor done anything for your cause. Men who are not afraid to speak out and who use their means for the good of the farmers are the men you should select for official honors. They will not desert you or your meetings as soon as elected.

The New Mississippian says of itself:

Throughout the eight years of its existence it has never once stopped to ask whether a thing was popular or if it would pay. It has only endeavored to ascertain if a thing was right, and then it has espoused it with all its might and power. Its constant aim has been to purify the public serv-

ice and elevate the public morals—to depose wrong and enthrone the right in its stead. It has never sought to make its columns the instrumentality of avenging private wrongs, or converted its influence into a coinage with which to pay off the obligations of personal friendships, but has often times run counter to the judgment of its best friends, believing that "principle, not policy; measures, not men," should be the motto of every self-respecting journalist. Encouraged by the steady increasing patronage of the public and strengthened and supported by the approving judgment of a clear conscience, the New Mississippian shall continue to be the friend of the people and the defender of their dearest rights.

The Congressional Record, March 23, reports Senator Plumb as having presented—

The petition of John Sargent Alliance, No. 626, of Sylvia, Reno County, Kan., praying for the accomplishment of the subtreasury plan for the free circulation of money, which was referred to the Committee on Finance.

THE ECONOMIST would suggest to the Vice-President that such resolutions be sent to the proper committee, that of Agriculture.

The Southern Alliance Farmer (Atlanta, Ga.) says:

The subtreasury plan of the Alliance extends the helping hand of the Government to the whole people; the national bank system confines its benefits to the privileged classes in the great cities and commercial centers. Our plan gives equal rights to all and privileges to none.

The Jeffersonian (Topeka, Kan.) announces that a district court decided that the usury law is inoperative against innocent purchasers:

All history and experience teaches that attempts to regulate interest by law have been failures, and ever will be. When the law of France punished the taking of more than 10 per cent by death, money loaned right along as high as 75 per cent. When water on one side of a lake can be kept piled higher than on the other side, laws against usury may possibly be successful.

The Liberal (Cuthbert, Ga.) says, pertinently:

Livingston's scheme is troubling some people terribly. The idea of the Government aiding the farmers is monstrous. Well, it's not Livingston's scheme, but it is all right and the farmers intend to demand its enactment into law. The Farmers Alliance means business and its going to work some big changes in the policy of our Government. Capitalists, monopolists, and politicians are uneasy, and well they may be. The farmers have been serfs in the United States a long time. But they are going to turn the tables and be the masters. There will be weeping and wailing and gnashing of teeth about it, but the tide is changing and no combination can stay its flow.

The National Alliance (Houston, Tex.), organ of the Colored National Farmers Alliance, says:

The farmers are banding together because of the necessity for such action. They wish to discontinue the credit system, the mortgage system, and all other systems that tend to impoverish them. They have, therefore, organized themselves into councils for the purpose of meeting together, talking together, working together, and in general planning together for their mutual protection and interest. They propose to establish the most friendly relations possible between producers and consumers, farmers and manufacturers, and to bring about a better understanding between the agricultural and business interests of the country.

Dexter (Kan.) Free Press:

The object of the Farmers Alliance, summarized, is to unite the farmers for the promotion of their interests, socially, politically, and financially. And how can they promote their interests socially without understanding their social condition, and how can they promote their political interests without understanding their political condition, and how can they promote their financial interests without understanding their financial conditions, and how can they understand these conditions without a discussion on them?

Nuckolls County Herald (Nelson, Neb.) states the facts truly:

We have the life of the nation to consider. Desperate men and desolation loom up in the near future, unless they

are stayed by the strong arm of the people in self-defense. The Alliance has to mold sentiment such as has never before been known in a nation. It is the people's work; it is a work that has to be taught to the mighty that the world and the fullness therein belongs to the people and not to the few. We have legislation to reform, and the sooner the better.

Our Own Opinion (Hastings, Neb.) puts it:

When this is in truth "a Government of the people, by the people, and for the people," then such a thing as class legislation for the rich few, at the expense of the impoverished many, will have passed into history, as one among the many once popular barbarisms.

The Alliance Sentinel (Lansing, Mich.) indicates that something will soon be done in Michigan:

Remember, we want 500 good organizers for the Alliance. You must be a farmer, farm laborer, country preacher, teacher, doctor, or mechanic. It is non-partisan and non-sectarian.

Journal of Industry (Quincy, Ill.); some have never tried it:

It is queer how proud a man will walk down the street carrying a bag of money, and then if you ask him to carry a bag of potatoes, he will turn up his nose and is too proud to carry them.

Lafayette County Statesman (Oswego, Kan.); just what might have been expected:

Ben Clover hits the nail on the head when he says: "It is not so much a question of prohibition or resubmission as it is whether the people shall have homes to go to—drunk or sober."

Weekly Crisis (Chillicothe, Mo.):

The farmer may be likened unto the soil and all others unto the plant. When the soil is rich the plant flourishes. The soil has been undergoing exhaustion for the last twenty years, and therefore the plant is not flourishing. It stands the town people in hand to help the farmer.

The Toiler (Nashville, Tenn.) makes this statement:

It is not the purpose of the Farmers and Laborers Union to break up any political party, but it is their purpose in a non-partisan way, to reform and control them in proportion to our numbers, thereby protecting our interests, which has heretofore been neglected. We believe that certain reforms are needed, that they are just and right, and that these reforms will not only help us, but will be for the general good.

Dexter (Kan.) Free Press says:

The farmers are studying and talking political reform to such an extent they have lost their interest in the old political parties. In fact, they have lost confidence in politicians to such an extent they have come to the conclusion that a farmer is capable of making laws for farmers, and under the present order of things, farmers may occupy the majority of the seats of the new legislature to be elected next fall.

Twentieth Century (New York); pretty strong but about right:

Regarding money, the simple truth is this, a number of thieves get together and assume the monopoly of its manufacture. Interest is the result of that monopoly; and by interest laborers are robbed and the owners of money are enriched. As long as these cunning thieves can make laborers believe that there really is such an authoritative thing as the Government behind them the laborers will call the thieves statesmen, they will call devotion to a myth patriotism, they will reverence the thieves, and will call unsuperstitious persons traitors and stone them because they puncture the myth-bladder.

In the Liberty Banner (Nogal N. M.) W. L. Breece says:

Much remains to be accomplished in our reform movement to bring about a thorough understanding of principles and policies of vital importance to the order; prominent among our needs at present, is the printing of "Patent Outlines" for "Alliance Official Organs" and all other reform papers that might care to avail themselves of the advantages thus offered. (1.) The patent outside to be published by the ECONOMIST, or some ably edited Alliance paper, could, (by taking advantage of the advertising prestige), publish them for almost a nominal sum, or at any rate that part of the paper could be furnished much cheaper than the local papers now pay for setting the type. (2.) All facts concerning National and State Alliance proceedings

and much information of interest to the order at large, could be placed before the members sooner than by the present mode. (3.) We could all have the same grand truths in the same lesson of even date, and north, south, east or west we should become educated alike in things pertaining to the science of economic government and our collective welfare. But to achieve this triumph, matter of detail in regard to uniformity of paper used, etc., would have to be adjusted.

The Washington Post says:

The Farmers Alliance may be an amateur in politics, but the organization is marking out the swath of a veteran. The harvesting season will be looked forward to with intense interest.

Country Home (Asheville N. C.); as true as gospel:

The Union of the Northern and Southern Farmers, united by the tie of common interest, is doing more to batter down the walls of sectional prejudice than all other agencies in existence. A fraternal feeling of brotherly love is rapidly taking hold of the farmers of both sections and driving out the old prejudice and hatred that so long kept us apart and made us the easy prey for our united enemies, who make combines to rob us of the honest reward of our labor. A man who is filled with prejudice has no room for anything else good. No one can be a Christian and hate his brother.

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

What does the United States need with a minister sent to any foreign country? Consuls effect every purpose, except in cases of great emergency, when special officers could be sent. Let Kings watch each other; "we don't have to."

The Indianapolis (Ind.) Globe gives this advice:

The Alliance can compel the nomination of good men without asking the partisan of any organization. Court house rings must be smashed regardless of party. Corporations must be taught to respect wage workers and farmers. Defeat quietly every corporate and ring candidate. Have no friends for whom to vote unless they stand against your common enemy. Strike down the foe now.

The Bevier (Mo.) Appeal says:

Quite a number of United States Senators have taken hold of the money question in the last few weeks, which shows that the agitation of the subject by members of the different labor organizations has not been in vain. They have heard the voice of the people and see that if they do not do something to relieve them, they will send men to fill their places who will.

The Alliance (Montgomery, Ala.) gives good solid sense:

If alliancemen will be controlled by every statement that shall be made to demoralize or confuse them, they will never accomplish anything. Think for yourself. Reason for yourself. Watch as well as pray. If you are uncertain about anything, and do not know how to ascertain the fact, rely upon a brother. Do not be misled by outsiders.

The Tennessee (Knoxville) Watchman takes a good position:

We notice some of our exchanges are not in sympathy with the Farmers and Laborers Union. While they pretend to give aid and encouragement to the organization they are continually interjecting the "buts" and "ifs." Now, gentlemen of the press, we want your sympathy and co-operation, but we don't want it at the sacrifice of principle. We are not antagonizing any legitimate business where justice and fair dealing is their motto.

The Alliance Tribune (Topeka, Kan.) asks:

Is our happy prosperous America the best of all lands, when statistics seem to furnish the fact that a great prairie state has a large percentage of its intelligent toilers, unable to earn enough for their daily bread, and have to depend upon the labor of the women and children of the family, to thereby eke out their miserable existence?

The Rice Eagle (Lyons, Kan.) is disposed to worry the Barnacle family. It asks questions:

The present condition of the country is well shown by the fact that since 1884 our cattle have increased 100,000,000, but are worth in the aggregate \$102,938,433 less than at that time. Other stock has been affected in about the same proportion. Who is responsible? If it is not Congress, who or what is it?

THE PACIFIC ROADS.

No. 3.

With the facts given in other numbers of THE ECONOMIST as a basis, it is proper at this time to consider what line of action the Government should pursue. In this inquiry all statements, suggestions, wants, or desires of these roads should be entirely ignored, because their past conduct in dealing with the Government has forfeited all their rights to any consideration whatever. Something must be done, but there is no necessity for haste. The Government can do nothing until 1896. Hence, all legislation looking toward a settlement must naturally favor these roads or they will antagonize its enforcement.

The people have waited for a quarter of a century and have seen themselves plundered by the men who control these roads; they will wait contentedly for a few years more, if at that time the Government can step in and wipe out the whole brood. There will be at least two more sessions of Congress before these bonds become due, and, perhaps, by that time conditions may change in favor of the people. One thing is apparent to all, matters could not be made worse than they are. It would be unwise on the part of the Government to listen to any advise from these corporations, because of their previous bad faith; the least dangerous course to pursue, therefore, is to wait the turn of events. What assurance can these companies give that in the future they will pay any greater heed to their obligations than they have done in the past. The commission reported—

The Government occupies a dual relation to the bond-aided railroads—as sovereign and as creditor. In this aspect the question of settlement unfolds complications that would not present themselves in the ordinary relation of creditor and debtor. A mere creditor might assent to compromise, which, in a sovereign, dealing with a dishonest debtor who had violated all laws and covenants, would be repugnant to public policy. It cannot afford to condone fraud, to validate the iniquitous work of the Credit Mobilier, the Contract and Finance Company, and similar organizations, or to ignore the unlawful and outrageous discriminations and extortionate charges and the criminal conspiracies for controlling trade which have characterized the administration of these railroads since the date of their completion.

When the Credit Mobilier scandal was exposed by the investigations of the Wilson committee in 1873, the Government was offered the alternative of attempting by a suit in equity to recover from the Union Pacific Company the money that had been improperly appropriated, or of proceeding to forfeit the charter of that corporation. A suit in equity was begun in the circuit court of Connecticut, but the Supreme Court, upon the demurrer of the defendants, held that the Government, as a creditor, could not sue until the debt had matured in 1895, and so dismissed the case. Since that time the Govern-

ment has been barred from all efforts at recovery, and is to-day experiencing the embarrassments of that decision.

The majority of the Commission recommend an extension of the time for payment of the debts of all the companies for fifty years on certain terms. The testimony shows that, except the Union Pacific, none of these companies have agreed to or will or can accept the terms recommended by the majority. The traffic manager of the Central Pacific testified that his company could not pay the debt and that an extension for an indefinite time would not be sufficient to enable it to do so. The fact is that to all companies except the Union Pacific their bankruptcy is so complete and irretrievable that no part of their indebtedness can ever be recovered by the Government except by immediate compulsory process. Extension of time for payment, therefore, means in reality but an increase of the amount of the debt and the making of its recovery the more hopeless.

To fund the indebtedness of the company to the Government is to give it an additional subsidy. An extension would recognize as valid the Credit Mobilier wrongs and the extravagant mismanagement of various boards of directors. It would validate the results of fraud and be a condonation of monstrous iniquities which the Government cannot afford. The gross mismanagement of the Union Pacific and the other Pacific railroads has not only injured the credit of American railroads among investors in this country, but it has shaken the faith of foreign investors to such an extent that hundreds of millions of dollars, which otherwise would have been sent here for investment and aided in the development of the country, have been locked up abroad. The foreign investors looked upon these Pacific railroads as being under Government auspices. They received a Government loan; they made annual reports to the Government, and, in addition to these requirements, the Government had a representation of five directors in the Union Pacific management. The good faith of the country was, therefore, presumed to be back of these Pacific railroad securities.

The people of the West should be freed from the incubus of this enormous load. Eventually the consuming classes and not the stockholders must pay this bill if extension of time be granted, and it will be ruinous to the communities which are dependent on the Union Pacific if they are forced to bear their share of this great burden, while communities on other roads bear only the burdens of moderate capitalization. So long as the Union Pacific Railway Company is forced to carry the debt, enterprise and development along its line will be measurably repressed.

The extension being unwise and impractical, there is only one course open to Congress, and that is an immediate winding up of the affairs of all the companies, enabling the Government to withdraw at once from all connections with the running of railroads, or sharing in the profits of their management. There ought to be an end to the partnership between the Government and the Pacific railroads; a speedy and absolute divorce.

In view of all this, why should the Government delay a plain duty. The construction and operation of these roads have been a most prolific source of

corruption, scandal, and disgrace among Government officials, and this state of affairs will continue just so long as the Government has any connection with their management. There is another feature in this matter, and the only favorable one that could possibly occur; that is, it might afford an opportunity of testing the practicability of Government ownership or absolute control of railroads. The idea is becoming more and more fixed in the minds of the people that the experiment of Government ownership of railroads must be tried. When the debt of these railroads matures let the Government take possession and run it as an experiment. It would not be very expensive and would demonstrate a proposition that will necessarily have to be solved in the near future. In consideration with this the following extract from the annual report of the great Alton railroads might be read with profit. The report proceeds as follows:

It is said that we should not complain unless prepared to suggest a remedy. We will, therefore, suggest the ownership of railroads by the National Government, and the organization of a corps of railroad operators who shall remain in the service during good behavior and be in no greater degree under the influence of politicians or political parties than the army militant. The outlines of our suggestions may be stated as follows:

First—The National Government shall acquire the ownership of all railroads in the United States which are now used for interstate traffic, such railroads to be acquired by the exercise of its right of eminent domain, or by purchase, under such limitations and rules as to price as Congress may determine.

Second—Payment therefor to be made by the issue of Government bonds bearing interest at a rate not to exceed 3 per cent per annum, said bonds to be redeemed by the annual application of a sinking fund equal in amount to 1 per cent of the whole amount of such bonds issued, the annual interest and sinking fund to be paid from the net earnings of the railroads, and the rates of transportation from year to year to be reduced, so as to provide no more money than shall be needed for such payments.

The present bill before Congress ought not to pass. It would be a reward for many crimes and unjust transactions. It would put a premium on future rascality and a libel upon the name of American integrity. These roads should be taught a lesson; they should be made to stand in the same position before the law that private individuals do. There are many men now doing time behind prison bars for far less crimes than this bill, if passed, condones. Let the bill be defeated, and let the people understand that this present Congress is working for their interests.

THE Union Bee (Humansville, Mo.) says:

State Librarian Dunn, of Indianapolis, Ind., has made an investigation of farm mortgage indebtedness, and finds that in seven years, from 1873 to 1879, inclusive, this form of indebtedness increased \$60,379,000 and from 1882 to 1888 the increase was \$349,476,000, a total of \$406,855,000 in fourteen years. The average rate of interest on loans is 7 per cent, and the people of the State are annually paying \$7,480,000 in interest. He shows from the abstract of records in the United States courts that in three years foreclosures by foreign companies aggregated over \$1,600,000.

A Letter to Mr. Cleveland.

CHRISMAN, ROCKINGHAM CO., VA.,
March 22, 1890.

Grover Cleveland, Ex-President of the United States.

DEAR SIR: You may think me very presumptive, but I assure you it is a sincere wish for your good and that of the nation that prompts my letter. The Hon. Daniel E. Griffin, chairman of the New York Democratic State committee, while guessing very wisely as to the issues on which the campaign of 1862 will be run, says: "No one can tell now who will lead the ticket." The thing that makes all doubtful is the great consolidation of the labor combines in the United States. All classes of labor have had organizations for their own individual help but the farmers; they have been slow to move, but there is a universal uprising of the farmers all over this United States, and more men are studying the best means of freeing labor from the slavery of wealth than ever thought on politics since this country was discovered: It is not a choice of men or of measures which they do not understand and care little about, but a veritable struggle for freedom. It is not the price of gas in Baltimore that is stirring up such action among the laboring classes, but the out-cropping of that immense wave of thought that has swept over our land from East to West and from North to South. The tea tax was a small matter, but served to show Great Britain Americans meant to be free. The Baltimore gas bill shows as plainly that the American people are the same to-day. They do not mean any longer to wear the shackles of the rich, and the man who espouses their cause is the man who will head their ticket and on whom they will all unite. You have done more to start this move than any one man living, and if you will add monetary reform to your other reforms you will rejoice the hearts of every labor organization in this whole United States, for it is the lack of this one thing that makes you unfitted and will prevent your heading this great army of voters. We want you as our President and Mrs. Cleveland in the White House. God bless her heart. THE NATIONAL ECONOMIST, published in Washington City, will give you better and clearer ideas of what these Alliance men want than I can. It is their organ and ought to be carefully studied by all politicians of the present day, for as surely as these men feed the nation they mean to rule it in the next campaign.

Your sincere friend, MRS. GEORGE CHRISMAN.

THE Florida Dispatch and Fruit Grower says:

At St. Louis the Farmers Alliance and Knights of Labor locked shields and issued a pronunciamento in which the "sub-treasury" system was offered as a panacea for the ills which beset the sons of toil. Since then we have observed the patrons of husbandry falling into line by their hearty approval of the measure. Various farmer organizations throughout the country are adhering to the doctrine, and we note with pleasure that on the 11th ultimo the powerful organization, the Georgia Agricultural Society, met at Hawkinsville, and by resolution unanimously agreed to cooperate with the Farmers Alliance in their effort to increase the volume of money in circulation for the benefit of the people, and adopted the sub-treasury plan of the Alliance as their guide for future action. This guarantees a solid support from Georgia for the measure. With the empire State of the South in the lead, we may hopefully expect, State after State, to fall into line; and soon we shall present a solid and unbroken front that will send dismay into the ranks of the enemy.

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

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

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

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

A FAIR PROPOSITION.

The fact shown in THE ECOMOMIST of March 29, that the South and Central America Republics are most happily free from debt of any people on earth, gives to a proposition by a member of the Pan-American Congress, soon to complete its labors in Washington, an importance which the members representing this country should be quick to take advantage of. A foreign delegate has expressed a desire to have the coins of all these nations circulate in each freely, on the basis of comparative weight and fineness. This would manifestly be to the interest of that party having least money in use, as the low price of products would stimulate exchange for money, and by increasing its volume tend to raise prices to a normal level throughout all, which is but another statement of the fact that the circulating medium would seek a level and the price of money be equalized.

That such a condition would burden the countries having per capita circulations greater than the mean average is manifest, as products would decline as the adjustment proceeded. Thus an agreement to take financial "pot luck" with the people of this country is really a request from the Southern brethren to be permitted to bear the expense of the entertainment. The proportion of debt and the decline in values is so immensely greater in the United States that she would probably be the sole beneficiary in this sort of community of assets which the proposition implies.

Strangely enough, the papers say that the American members of the Congress refuse to consider the proposition. Whether from ignorance or identity with the system which has impoverished this people, the United States is threatened with misrepresentation in this, as in every other instance in which the financial policy of the country is brought to the front.

There is precedent on the statute books of the United States for just what is proposed by the foreigner. By act approved June 30, 1834, it was provided that certain gold coins should pass current as money within the United States, and be receivable in all payments, by weight, for the payment of all debts and demands, at the rates following:

The gold coins of Great Britain, Portugal, and Brazil, of not less than twenty-two carats fine, at the rate of ninety-four cents and eight-tenths of a cent per pennyweight; the gold coins of France nine-tenths fine, at the rate of ninety-three cents and one-tenth of a cent per pennyweight; and the gold coins of Spain, Mexico, and Colombia, of the fineness of twenty carats, three grains, and seven-sixteenths of a grain, at the rate of eighty-nine cents and nine-tenths of a cent per pennyweight.

It was the repeal of this law in February, 1857, to which may be attributed the money-famine of that and the next year, by which thousands of failures in business occurred, and which caused farmers to lose their homes in almost every county in the country. The law passed in Jackson's time. Is it any wonder there are people in this country who still desire to vote for Old Hickory as against any other man?

A VERY RICH DEBTOR'S PLAN.

The recent change of front by Senator Stanford in his advocacy of cheap money for the people, is considered by some far-sighted individuals to be the beginning of a desperate struggle between the railroads and the banks. There are many surface indications which seem to justify such a conclusion. It is an open secret that these companies are heavy borrowers of money, much more so than any other class of business corporations in this country. In fact all there is of the system is based on loans. Now, with the banks demanding exorbitant rates of interest at regular periods on the one hand, and the people determined to have lower rates of freight and passenger service on the other, something had to be done for self-preservation. The interest charges against the railroads in the United States have become enormous. They are estimated at \$470,374,365 annually. The cheaper this vast sum can be loaned the cheaper railroad service can be made. The key to the real situation was given recently by a prominent railroad official in a private conversation. He said, "the banks are now assuming complete dictatorship in all matters pertaining to railroad interests that is not only unfair, but expensive. They assume to decide where and when roads shall be built, how they shall be conducted, and in many cases who shall be the officers. The roads at the present time are paying a tribute to the banks that is both unreasonable and oppressive. The stockholders do the work, run all the risk and turn over to the banks nearly all the profits." If these statements are true, the real purpose of Senator

Stanford in his demand for cheap money loses its philanthropic aspect and sinks as usual into one of self. The roads which Senator Stanford represents will be compelled to pay within a few years a debt of nearly \$200,000,000 to the United States. There is a bill before Congress at the present time to extend this indebtedness for at least seventy-five years at a rate of interest not to exceed 2 per cent per annum.

Judging the future by the past, may not the anxiety of Senator Stanford to see this bill become a law, furnish the incentive to ask for cheap money for the people? Cautious individuals might be excusable for forming such conclusions. But there is a way of testing this matter whereby every right can be preserved and the honesty of purpose of all concerned established. The debts of these Pacific roads are not due until 1896. There need be no haste in legislating about them; but the debts of the farmers are due now, some of them past due, and must be attended to at once.

Let Senator Stanford, instead of instituting an absurd inquiry as he has done, regarding the feasibility of furnishing the country with cheap money, a subject as plain as the noon-day sun, introduce a bill embodying that principle definitely and clearly, and then make a fight for the best interest of the whole. He has simply introduced a resolution asking a committee made up of such men as Senator Sherman, if it would be proper in their judgment to give the people cheap money? What answer may be looked for from such a committee? In the meantime he has introduced a bill demanding specific action for the corporations which he controls. The safest plan for the people is to put aside the bill granting an extension of time at a low rate of interest to the Pacific railroads, and insist upon passing a general bill giving to all who want it the same privilege of government aid and assistance. When Senator Stanford secures the relief he seeks for his corporations, the probabilities of his continuing the contest in the interest of the people would not excite their enthusiasm to any great extent. If there is to be a war between the banks and the railroads, the one demanding excessive tribute and the other cheap money, the people will espouse the cause of the roads; but let it be done in a fair, open-handed manner, with a well-defined object for all concerned; not a mere inquiry on one side, and a well considered bill on the other.

Such advantage at the beginning might lead to treachery. That the people would aid the roads in this matter there can be no doubt. It would be for their interest to do so. Any means by which money can be robbed of its "power to oppress" is legitimate and proper. Everything that will precipitate such a contest should be used with that object in view. The banks and railways have long been partners in crime, and have aided each other in plundering both Government and people for many years, and now, when the day of reckoning looms up in the near future, a complete revelation of each other's rascality which would certainly follow a war of this nature would materially aid the people in passing judgment as to which were the greater criminals.

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. 49.

DEMOCRACY IN NATIONAL WEALTH.

It should not be overlooked that in addition to the beneficial functions of competition which have been enumerated in the foregoing articles, the most important result of the general operation of all those functions is the distribution of wealth among the greatest number of competitors in accordance with their industry and ability. The corollary thereto is the avoidance of the growth of great fortunes on one hand at the cost of general poverty among the masses.

In the preceding article the argument was directed to show that the result of free competition would be to distribute wealth among individuals in accordance with their ability and industry as suited to the different vocations in which they engage. As a result of that, it is now important to call attention to the fact that the same influence will secure the widest distribution of the profits of human efforts between individuals; or, in other words, that its natural effect is to produce fewer great fortunes and more small fortunes than would otherwise be the case. We have argued heretofore that it is right and necessary that the person who is both industrious and capable shall receive a greater share of wealth than he who is indolent and incapable. That stands as an axiom of the present day. But the further argument is necessary, that when no inequalities are established; that when no exclusive advantages or favoritism are created; and when the qualities that legitimately deserve success in the accumulation of wealth are alone to determine the growth of fortunes, the differences in those qualities are by no means so great as the inequalities of fortune which exist to-day.

There are vast differences in the mental qualities and abilities of mankind. No doubt one man is vastly better able to conduct commercial operations successfully than another, or that one man may have the mental qualities which enable him to carry on industrial work where others would make egregious failures, just as one man may be a good farmer, while another may be lazy and shiftless. It is right that such superior abilities should receive their reward in the larger amount of wealth that is naturally assigned to such abilities as compared with the ordinary qualities of labor and industry. But the point upon which I insist here is, that there is no such difference between the highest abilities that exist in commerce or industry and the lowest order of human

minds, as is measured by the \$200,000,000 fortunes of the Astors, Vanderbilts, or Goulds, and the entire absence of capital that marks the condition of a great share of the population where those fortunes are created. The indictment against the commercial and financial influences of the present age, consists in the fact that the vast differences of fortune which have been created during the past generation, are immensely in excess of the normal differences in industry and ability that should regulate the distribution of fortune. One man may be far more industrious, far more foresighted, and far more intelligent than another; but when any one claims that two or three men are two hundred million times more foresighted, industrious, and intelligent than the mass of mankind, they simply commit themselves to the assertion of an absurdity. The whole matter is typified by the report of the New York investigating committee of 1880 in the single case of the Standard Oil Company, which asserted: "That these gentlemen possess eminently business talent is obvious; but that they possess a monopoly of the business ability of the country commensurate with their monopoly of the oil trade is eminently absurd."

It may be worth while to remind the reader that this series of articles started out with the assertion of the principle on which this Government started out; that the best condition of society and the stability of popular government depends upon the widest distribution of the opportunities of wealth and education, and the largest distribution among the greatest number of the prizes of effort in industry and commerce. That vital and fundamental principle for democratic society being established, the vast importance of the principle for which we are contending at this point may be perceived from the fact now asserted. That wide distribution of these opportunities, and the general dissemination of property among the greatest number of the people, is only to be procured by the preservation and maintenance of the system of free competition. It is an essential part of the system that wealth shall be distributed in accordance with the deserts and abilities of each individual. To decree a dead level of uniform possessions without regard to the qualities which produce success in life, would be as destructive of the system upon which this country is based as the creation of a privileged class, which is its more imminent danger. But the point upon which the advocates of free competition in trade and industry can assert the highest and most vital importance of their principle to democratic government is that free competition and equal opportunity to all must distribute wealth among the greatest possible number as surely as a body of water must spread over the greatest possible level space when unrestrained by dams or banks. Let a condition of

commercial organization be established in which equal opportunities to compete in every department of industry and every branch of commerce shall be open to all men, without favoritism and restraint, and it is as certain as the action of the law of gravitation that the wealth created will be widely distributed. The obstruction of competition at any point will inevitably create privilege for a favored few, and produce great fortunes as the result of that privilege, at the cost not only of the competitors who are excluded, but of the masses who must pay for the exclusion of competition.

This is the point upon which there is the widest and most universal misapprehension and misunderstanding with regard to the economic system of the day. The socialists, including a great many earnest men who have not clearly avowed the principle of socialism, argue that because the system of to-day is founded upon competition, and yet has created egregious fortunes, balanced by general poverty and improvidence among the masses, therefore, the principle of competition results in the degradation and impoverishment of the laboring masses.

On the other hand, there are those who, arguing as has been argued in the preceding article that the principle of free competition must necessarily work out the results of natural justice, come to the conclusion every immense fortune must be justly earned, and is an evidence that great wealth can be obtained honestly and fairly to the community.

Each of these opposing classes is equally in error, from the fact that they do not perceive the means taken to obstruct free competition where these great fortunes have been created. True, the commercial system of this country is based upon the profession of free competition; it is equally true that in the great bulk of commerce and industry competition, as it operates against the masses, is actually free and unrestrained; but it is no less true, that in the organization of corporate enterprises devices for the suspension or obstruction of the principle of competition have made it uneven in its action. From the unevenness and obstructed character of its operation, the favored classes are enabled to draw advantages which result to the disadvantage of the masses.

The pivotal importance of this fact, and the vital nature of the error of those who charge the great inequalities of fortune existing to-day upon the action of competition, may appear most plainly from the point which I am now about to assert, and to which sufficient attention has never been given. If the sources of wealth are examined in the case of every one of the great fortunes which have been created in this country during a man's single lifetime, it will be found that in every such case the vast fortune secured its start and obtained the advantages which maintained

its growth by some device for suspending competition and obtaining some advantage over competitors. Research into the sources and growth of moderate fortunes, can hardly be pushed so far as to exactly determine the line which can be drawn between fortunes created without any special advantage and those whose size must argue the seizure somewhere of the favoritism and privilege which at once grows out of and inspires the exclusion of competition. There is no doubt that a man of ability may make a fortune of \$100,000 merely by his industry and application. The probability is, that men of exceptional business powers may make a million without any resort to the means of excluding competition and obtaining advantages over rivals in the effort for wealth. But I will undertake to maintain it as an economic law, that in every case where a fortune of \$20,000,000 has been created in the career of a single life, there a sufficiently thorough investigation will show that the concentration of wealth was due either to the suspension of competition for the benefit of the successful money-getter or else to the practice of some gigantic form of successful dishonesty. In other words, the growth of the great fortunes of to-day, and the increase of that share of the population which has no fortune at all, is due, not as is charged by the people of both sides of the economic question, to free competition, but is due to the violation and nullification of the system of competition, by devices to obstruct, suspend, and render unequal the operation of that beneficent and distributive force.

As I have already said, investigation on this point can not be carried into an inquiry as to the sources of moderate fortunes. Many moderate fortunes, undoubtedly, arise from subsidiary service to the conspiracies against competition. No doubt the aggregate fortune distributed among the jackals of monopoly would amount to as much as, if not more than, the vaster single fortunes concentrated in the hands of the lions of those organizations. But the number of fortunes from one to five million dollars is so great that no investigation could be made into the methods by which those accumulations of wealth were secured without an inquisitorial process, which is happily impossible in this country. But the facts that are well known with regard to the creation of the greater fortunes, illustrate this assertion so clearly as to amount to a practical demonstration. The great accumulations of wealth that are counted by the tens or hundreds of millions, constitute, by notorious facts in their owners' careers, an illustration of the principle that no such vast fortunes can be heaped up in a single lifetime without some vital and essential interference with the equal chances in the pursuit of fortune that form the distinctive character of free competition.

The Astor fortune is the one which has been the slowest and most natural of growth. During the past two generations its increase has simply represented the accumulation caused by the rise in the value of real estate, which has remained in the hands of the family since the life of its founder. But the recent death of one of the Astors, the third in the line of succession, has brought out reminiscences that the first Astor obtained, at the time of the embargo on Chinese trade, an especial privilege, which enabled him to carry on that trade when all other merchants and vessel-owners were excluded from it. In other words, the principle of competition was suspended, and the original Astor was given the monopoly of the Chinese trade for a sufficient time to accumulate a fortune, which in those days was sufficient to strengthen him far above all competitors, and to greatly enhance its growth by securing a practical control of the Northwestern fur trade immediately thereafter. The Stewart fortune is the smallest of the great fortunes which have attracted attention during the last generation or two, and so far as the public is aware, being laid up entirely by mercantile operations, represents simply peculiar abilities for mercantile efforts. But it is well known that the Stewart policy included, by fair means or foul, to wipe out competing merchants and to absorb them into his concern. How far that fortune represented the successes of his devious and secret methods of stifling competition, and how far it represents his ability in carrying on a competitive trade, is something that can hardly be estimated. But it is permissible to conclude that the fifteen or twenty millions which the great merchant left, for his successors to quarrel over and cheat each other out of, was not wholly accumulated without some resort to the favorite methods of stifling merchants.

With regard to the other great fortunes of the present day, there is no such room for dispute. The Vanderbilt fortune, the Gould fortune, the immense accumulations of Mr. Rockefeller within the past sixteen years, and even the minor millions accumulated in connection with the management of other corporations, such as the fortune left by the late Thomas A. Scott within ten years of the date when he went into bankruptcy; or the Garrett fortune, equal if not superior in magnitude to that left by A. T. Stewart, are all clearly and unmistakably founded in exactly this suspension of competition in the financial and industrial operations permitted by the corporate system. Exactly what share of each great fortune may have been obtained by the floating of watered stocks on the basis of an alleged monopoly, how much from deals in stocks or bonds on inside information; how much by contracts for construction or financial reorganization—such as the famous Union Pacific deal,

out of which the Gould clique made \$30,000,000—is not possible to determine, nor is it important. The important fact is that by one or another, or perhaps by all, of these means, the great fortunes of the present day are accumulated. Each of these methods obtains its success by the advantage or privilege resting upon the obstruction of competition. The device of watered stocks must rest upon the suspension of competition, at least to a sufficient extent to persuade the public that a monopoly is possible; else it would be universally recognized that the capital of any enterprise can be no more than the actual investment. The contracts which corporate manipulators make with themselves, at the cost of their stockholders, and the favoritism in railway rates by which fortunes are distributed among their partners and adherents, are all rendered possible by the exclusion of competition in each particular.

These things are generally recognized; but what is not generally perceived is the way in which that cause of excessive and inequitable wealth spreads through nearly all of the great fortunes of the present day, and throughout a great share even of the more modest examples of wealth. One class of great fortunes seems to be an exception to this rule at first sight. The bonanza kings appear on the surface to have secured their great fortunes by the luck of striking rich mines. But even blind luck is not distributed so unequally as these fortunes would indicate. If the growth of the bonanza millions is closely examined, it will be found that many of them, and especially the greater fortunes, have been augmented by the steady use of two means, viz., (1) contracts by the directors of great mines with themselves as private individuals to furnish materials, or do work, at rates which eat up the revenues of the mine, or, in other words, the exclusion of competition in the work of mining, and (2) operations in the stock of the mining companies, with accurate information as to the condition of the mines strictly confined to the inside parties; or, in other words, the maintenance of an especial advantage in the buying and selling of mining stocks.

In the manufacturing city of Pittsburg there are eight instances of fortunes, variously estimated at amounts of five millions or more each. It is a salient fact that every one of them has been closely connected with some of the methods referred to. So universal and widespread is this source of wealth, that a banker, who has close relations with the great millionaires, told me the other day in private conversation, that he did not believe there was a single case where a man in his own lifetime accumulated a million dollars without having resorted to some of these means to secure a vital and unfair advantage in the acquisition of wealth.

This is the summary and the ultimate benefit of legitimate and unrestrained competition. It gives every man an equal opportunity in the acquirement of wealth; and with the opportunities equal, the results will be far more uniform. Suppress or obstruct competition, and the source of great and undue wealth is at once put into operation. Free competition means the greatest distribution of wealth, and obstructed competition produces its concentration. The most convincing proof of that rule is furnished by the great fortunes of the present day.

This is a matter of no small importance, and one

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

ENSILAGE.

Ever since the ensilage system of storing green fodder was brought forward, there has gone on over it a discussion full of extravagance on both sides. At first it was claimed that forty, or even sixty tons to the acre could be produced of green corn fodder cut before the ears were formed. Beyond doubt this was mere guessing, and wild and foolish guessing. It was further claimed that three tons of this stuff was equal in feeding value to two tons of timothy hay. This also was mere foolishness; ten tons of it was more nearly equal to one ton of timothy hay. After further trial the most judicious advocates of the system have dropped the immature corn stalk, and now they allow the corn for ensilage to form the ear and begin to harden the grain before it goes into the silo. One ton of this is worth five or six tons of the other, but from twelve to fifteen tons is a good yield per acre. Such land will yield from forty to sixty bushels of mature corn and from five to six tons of cured fodder.

The quantity of water-free food substance is rather greater in the mature corn and cured fodder than in the ensilage.

On any system the loss of food substance will be greater in the silo than in the corn bin and fodder stack.

The digestibility of the crude fibre in the ensilage is greater than in the fodder, but on the other hand the fermentation of the hydrocarbons reduces them to less nutritive forms.

In many cases the silo may be adopted with advantage and in many others the corn crop matured and the fodder cured in the ordinary way will be better practice.

In some cases we have seen good results from running dry fodder and ears of corn all together through a cutter instead of husking and feeding corn and fodder separate; the chop being put into a steam box, thoroughly moistened with water and then steamed. We have also seen corn ground into meal and made into chop with dry fodder cut very short and the chop steamed. It seems certain that bulk for bulk, either of these last preparations is more desirable food than fermented ensilage. It is very strange that a mere war of words in place of exact experiments is all we have to go upon in the premises by way of comparing these processes. It is a question of profit, and it has not been made certain that the corn crop may not be fed to cattle on the fodder out of the shock, with hogs to glean after the cattle, with more profit than either by the silo or chopping and steaming systems. It is at the South that the silo should be adopted and the corn crop should be ensilaged for diluting the cotton-seed crop as a feeding stuff. In the cotton States there ought to be produced by this combination of feeding stuff a world's supply of butchers' meat, cheaper than anywhere else by any other plan, and so save the present reckless drain upon the soil by exporting the cotton-seed.

This is a matter of no small importance, and one

to which the agriculturists of the South should give earnest attention. Let them be warned in time that the diminution of the organic matter in their soil can not be fully compensated by the application of chemical manures. They can not fail to understand that no considerable reduction of the product per acre is needed to render the culture of cotton unremunerative. Cotton seed meal fed as chop with Japan clover or millet, or with ensilage, or any other forage plant, should be adopted as a regular farm practice. Cotton seed chop with cured corn fodder steamed would make a first class ration for mules, and the steaming could be done easily and economically, as well as cutting the fodder, by the plantation engine. There is no place on earth where pork can be as cheaply produced as at the South. The manure is what is wanted, and planters should give heed to this matter.

That the history of American agriculture is a history of reckless spoliation and plunder of the national domain admits of no denial. The South, in entering upon a new era of greatness and progress, can not afford to ignore the demonstrations of science and of experience combined in the treatment of economic questions. No economic question can engage the attention of any people which is of equal importance with the conservation of the fertility of the soil of their country. The present generation has not the right to commit spoliation upon the inalienable inheritance of posterity. Amid the exciting conflicts in which this generation has been called upon to engage, let not the just claims of posterity be ignored or forgotten. It is certain that no higher obligation or duty rests, or can possibly rest, upon us than the preservation of the fertility of the soil for the benefit of our children. Its improvement will with them be a more serious thing than with us.

LIME AS A GERMICIDE.

As a destroyer of the germs which produce deadly disease in man and domestic animals, lime seems to take a higher position as the results of scientific research mature. It has the great advantage of cheapness and abundance. Among the formidable germs which it readily destroys are those of typhoid fever in man and of hog cholera among animals. Science, therefore, confirms the results of a time-honored empirical practice. Wood-work affected with many and, perhaps, most of the dangerous germs may be made safe by whitewash, and privy vaults, cesspools, and other such places may be disinfected by free use of powdered lime, either quick or slack. We are disposed to harp upon this question, just a little, because by so doing a few persons may take serious notice of the matter, and good will result. If by attention to what is here written typhoid fever is kept out of one household only, that will be much. A good case of typhoid fever means from six to nine weeks' serious suffering in bed, with peril to life never out of sight. A bad case of it means escape with life by the skin of the teeth, or a grave to be made. Shall this be for the want of a day's or a week's work with all hands cleaning up and whitewashing and liming. The beauty of this thing is, there is no danger in it to man or beast. It does away with the necessity of the use of deadly poisons in wholesale quantities and for common purposes. A thing which greatly complicates the jurisprudence of criminal poisoning, and which in

all cases involves danger from carelessness or accident. In the opinion of the writer, hydronaphthol should supersede the use of corrosive sublimate in medical and surgical work. And lime or chloride of lime should very largely supersede all dangerous disinfectants for common purposes. It is proven moreover that soil which contains disease germs in large quantities may be effectually sterilized and made free of danger by a moderate liming. By the use of lime then, as a white or colored wash, we may gain the double advantage of destroying disease germs and producing pleasing aesthetic effects of cleanliness and beautification. By the use of lime in powder we may destroy disease germs in the soil, whereas the fertilizing value of the application will greatly overpay the cost and trouble of making it. Knowing thus much every man has it in his power thus easily, and cheaply, and safely to combat and destroy deadly infections, while he improves his land and beautifies his home. The dark places, the damp places, the filthy places, the places that stink, are the known lurking places of disease and death. It is the duty of every proprietor to clean out every such place, burn up the filth and lime and whitewash the place. Enough has now been said on this matter and we leave it with our readers.

DEPARTMENT REPORTS.

We have received from the United States Department of Agriculture No. 4, Vol. 5, of the Journal of Mycology. This is a valuable publication from the standpoints of both science and practice. No division of the department appears to be doing more valuable original work than this. The publication before us brings within reach of the public this valuable information with commendable promptness. We have received also the fourth and fifth annual reports of the Bureau of Animal Industries, bound in one volume. Hog cholera, swine plague, pleuro-pneumonia in cattle, and glanders in horses are the prominent topics of this publication, and are treated with the fullness, originality, and ability which always characterize the work of Dr. Salmon, chief of that bureau. These reports furnish also very interesting information concerning changes taking place in the "range country" and the supply of beef, wool, and mutton grown on these vast tracts of Government land. This department is destined to be one day the greatest scientific establishment in the world.

THE LINCOLN SHEEP.

Next among the very numerous breeds of sheep which England has produced the Lincolns are now to be described. They are not very unlike the cotswolds at a general glance, but upon closer observation it will readily appear that they are coarser in bone, flesh, and fleece. They are hardy sheep and gross feeders, and they require high feeding and the best pastures. They will, when properly handled, excel in weight both of mutton and wool any other sheep. The fleece of the best Lincolns has been known to weigh thirty pounds. The original Lincolns were an old breed native to the Lincolnshire fens, but they have been recently very much crossed with Leicesters. By these crosses their hardihood has suffered some deterioration, but their quality has been improved. Being much crossed the Lincoln rams will not produce uniform grades with common sorts, and they are not desirable for that use.

The Poor Boy at the Frolic.
BY HARRY HINTON.

Sam Delany was as handsome a young man as ever wore dead cow-skin on his understandings, and as honest as any man who perforce wore the wool of a living sheep while the same carried his bare-back exposed to the inclemency of the weather. But Sam was poor in this world's goods, and of course he lacked that respectability which the devotees of Mammon always assume for themselves. Conspicuous upon the hill near the humble cot of Sam's parents imposed in palatial splendor the ornate abode of Col. Gambul. There was going to be a dance at the colonel's soon. The finest ladies and gentlemen from the city were coming. It was going to be a fine time, a grand occasion. Many a time before had there been jolly times at the big house, and every time Sam was invited just for politeness and neighborship to come up, but all the time hoping that his modesty and good sense would persuade him not to come. Nevertheless, Sam having attired himself in his best garb, made his entrance this time during the height and the top-flavor of the entertainment.

Believe me, there was a sensation. All eyes were agog. A strange and uncouth character had entered the ball-room. The musicians could no longer ring out the melodies without missing the tune or the time. And they smiled and they smiled. The host and hostess were set aback, and the revellers were amazed and amused. Sam sauntered to one corner, and there took his stand, the observed of all observers.

So the toilers and producers of the nation's wealth and grandeur have often been invited to participate in the affairs of government, and it has frequently been said that they would be treated with the highest respect if they should, but the first time they accepted the invitation all eyes are agog; the revellers are amazed and amused; the host is confounded. Let not these small things trouble you, my lords; on with the dance! Smile on! Smile on!

The New York Herald makes a sudden discovery. It finds out there is such a society as the Farmers Alliance and Industrial Union with several organs, and it believes its central organ is THE NATIONAL ECONOMIST, printed in Washington, and that its numbers are such as to influence Senators Cullom, Stanford and Vance to introduce measures pleasing to them, but "all this may make some readers smile." The most remarkable expression that has been uttered by a public critic and counselor for some time past finds a place in these words: "Nor should it be forgotten that by decision of the highest court, and by party policies approved by the people and enforced, even this absurd bill of Senator Vance can be justified." The depth and length of this remark will naturally lead to the inquiry, who is it that edits and publishes the New York Herald anyway? To what nation does he belong? Where was he born, and where has he been living? This absurd bill of Senator Vance can be justified by the decision of the highest court, by party politics, by approval of the people, by enforcement of the law, yet this public critic calls it a vagary which this Congress he supposes will pay no attention to. Wiser than the Supreme Court, wiser than party, wiser than the people, he stands isolated and alone ready to condemn or approve any public measure. He had rather be right

alone than to err with millions by his side. This is assuming a moral grandeur perfectly admirable and astonishing. Happy the country and fortunate any people who possess such a disinterested counselor.

But some vagaries and absurdities and State socialisms have already done their diabolical work. While the poor boy was fighting the battles of his country, or toiling in sunshine or rain, the army contractors, the speculators, the money-changers and monopolists were gathering together the representatives of the nation's wealth, and as an army of "pirates they have successfully thundered at the doors of government until they have driven it into the most preposterous acts of bad faith that ever occurred since the dawn of history." Too late now to talk of vagaries. The way the thread was wound up on the ball is the way it must be unwound, only it must turn in an opposite direction.

The very elements to which the country stands least indebted for any of its liberty, greatness, or prosperity for so these many years have held high old carnival at the nation's center. They have danced the round dance and the square dance, the lancers and the racket. The money changers, who at once sent the golden eagle under cover when the tocsin of war was heard, now are clamoring for his sole coronation. These are they who did more to injure the nation's credit than a dozen defeats. These are they who are dancing the round dance over the people's liberties and have fattened on the substance of the land. The speculators are interested in a contracted currency. These are they who, while the people were fighting the battles of the land, were filling their pockets from the necessities of the Government. They are dancing over the lost rights and prosperity of others. What shall we say of the army contractors and the monopolists, and all others who have controlled this Government for the last thirty years solely for their own interests?

We shall say nothing. The tale has been told by the multitude of failures in business, by lost homes, by poverty stricken men and women, and per contra by the colossal fortunes accumulated and the numerous combinations organized in order to lay tribute upon the nation's toiling millions. The heart is made sick and the soul made faint over the damnable wrongs perpetrated by these conspirators on the rights of an inoffensive and confiding people. A more unscrupulous set of scoundrels "never cut a throat or made a man walk the plank."

Amid all this feast of the soul, this banquet of the heart, this high carnival on the peoples rights, a strange character appears in the ball-room. The poor boy has come to the frolic. The lords and ladies of high degree cannot suppress a smile. Ah, sirs, better be serious; for he is but the harbinger of millions on the way. The yeomanry who fought for liberty and the toilers who have made the country's prosperity are coming. They are coming, and will lay an ax at the root of every tree, and the nation shall be cleansed. The billows of the sea are rolling over the land. The prairies are on fire. A mighty upheaval and ground-swell are moving with increasing momentum. It is destiny. The people are on it and it cannot be checked.

This revolution has need of such a man as the editor of the New York Herald. The wise and conservative must direct the current. But no worship-

ers of the golden calf can enter the kingdom. However, this is the shibboleth which, if he can speak plainly, he will not be slain while crossing the brook:

"Equal rights unto all men and special privileges to none.

"Every man shall help support the burdens of government in proportion to his ability.

"All industries which the Government proposes to protect for the public benefit shall be protected so as to reap a profit commensurate with the average profit of all non-protected industries, and no more."

If the New York Herald will discard its golden calf, and will pronounce these dicta distinctly, he will be admitted into the synagogue. Herein the path of wisdom, prudence, and justice lies. We think so much alike, but unfortunately for different ends. Above the decision of courts, of parties and people, we independently form our own opinions. So much the more we desire him to come over and join us. But if he thinks his bread is buttered on the other side, and wish to throw obstacles and antagonisms in the way, let him know that we will try to prove a foe worthy of his steel.

A Muddled Question Discussed.
BY T. D. HINKLEY, OF HOYLETON, ILL.

Many of our most radical reformers, anarchists excepted, believe that our manner of tax gathering can be arranged in some way so that the act of tax collecting may be made to benefit laborers. So deeply seated is this hallucination, so thoroughly imbued are our citizens with this idea, that they have not only devoured books, and papers, and pamphlets devoted to propagating this nonsense by the ton, but the last two or three national campaigns have, at a cost to labor of millions upon millions of dollars, been fought upon no other issue than the question which of two plans of collecting our national taxes would enable our laborers to produce wealth to the better advantage. One wing of the contending forces—the tax-for-revenue-only wing—declare that their plan of taxation would sooner accomplish the desired object, because under it the natural wealth-producing resources of our country, mainly the agricultural, would be developed in a perfectly natural manner, and that this development of our resources, compelled as it would be by their plan, to follow out the lines which nature had plainly marked out for it, could not be otherwise than beneficial to all concerned, and especially to the farming part of our population. The other wing—the tax-for-protection wing—contending, on the other hand, that their plan had made manufacturing profitable in our country, and that manufacturing thus fostered into profitability was paying labor much better wages than other countries were paying, and that wage-workers were not alone benefited, but that the diversification of industries following protection had been especially beneficial to farmers, as it had given them a market at home for much of their produce which otherwise had been compelled to seek a market abroad, and that it also tended to maintain prices of farm productions by the absorption of much labor that under other circumstances would certainly gravitate to the farm, and by competition compel farmers already engaged in the business to sell their productions at lower prices.

Thus it will be seen that the ostensible object of both parties was the protection of wealth producing

labor, and that the incident of their difference, which cost our wealth-producers so dear, was in the application of their respective plans. The plea of the tax-for-revenue-only men that the plan of the tax-for-protection men takes money from some men and gives it to others, while it is absolutely true, is because of the source from which it emanates, absolutely without force. The object and the incident, the aim and the end of all taxation is to take from some and give to others. Whether the ultimate recipient be an officer of our Government or the captain of an industry, whether it be Ben Harrison or Andrew Carnegie, Sam Randall or Claus Spreckles; whether the tax be collected by a tariff for revenue or a tariff for protection, or a single tax on land values, or a graduated income tax, cannot alter the truth of the proposition that it must be taken before either officer or industry can become the receiver of it. Since this is true, it necessarily follows that reformers who still consider taxes necessary should study the tax question with but one object in view, and that to reduce the amount collected to the lowest possible limit.

The tariff for revenue and the tariff for protection, both having been thoroughly tried, and both having proven utterly inadequate to the task of bettering the condition of our wealth-producers, the public mind is rapidly preparing itself to adopt some other plan for getting revenue. And the public mind is not influenced in its objection to the tariff, because it is not a good medium through which to get a needed quantity of revenue, but simply and solely because it has failed as a medium through which wealth-producers may acquire prosperity. The people have been so assiduously schooled by the leaders of the dominant parties in the belief that their prosperity is dependent upon the manner in which their national taxes are collected, that they have come to regard the nation's taxing power with but little less superstition than the Chinese show in the worship of their wooden gods, and hence, they are much more willing to take up with a scheme which proposes to tax them into prosperity than they are with one which would take them to the desired end by a more reasonable and rational route. It is not to be wondered at that the people have so long been duped into a childish pursuit of so thin and airy a jack-o'-lantern, when we remember that leaders of thought and of men, like Blaine, and Cleveland, and Powderly, and George, have steadily used all their reasoning powers and all their magic-like eloquence to convince them that they were pursuing a substance and not a delusive shadow.

Mr. George's plan of a single tax on land values, which he says will "exterminate pauperism and abolish poverty and carry on civilization to yet nobler heights," has of late been followed by a highly-elaborated and tabular-stated plan of a graduated property-tax which the author, no doubt, sincerely and fondly believes will knock the stuffing out of Mr. George's plan. The author of this new device for relieving wealth-producers of their burden of taxation, gives splendid reasons for opposing the road to the jack-o'-lantern now traveled by other believers in the supernatural, but alas, he insists that jack is there and that his light is really a solid substance, to reach which it is only necessary to travel his graduated property-tax road. His plan, if I remember it correctly (I have misplaced his tabular statement),

exempts all men worth less than \$1,000 from the payment of taxes and yet permits men to acquire \$100,000 before the government steps in and takes their entire income. Mr. Charles M. Howell, of Bessemer, Mich., is the author of this "New Economic System," and while he has had it copyrighted, he intimates that he would be pleased to have other papers reproduce it in whole or in part, only requesting such papers to mail him copies containing such reprint or criticisms thereon. He modestly predicts:

"That under the proposed system, which is purely one of direct taxation, the revenue to the National Government would be adequate for all purposes, national, State, county, and municipal, and all other tax laws ultimately would become inoperative, because of the absence of all necessity for the levying of taxes by any other method. Even 'tariff for revenue only' would fall into 'innocuous desuetude,' while such of our infant industries as the public might consider proper subjects for the fostering care of the Government could be nursed to maturity and strength by a simon-pure prohibitive tariff, which produces no revenue. Thus would the very rich beneficiaries—the multi-millionaire class—of organized society defray the expenses of the Government, which alone secures to them their great possessions, thereby leaving the masses free to the acquirement of pleasant homes and modest incomes—luxuries unknown to the vast majority and beyond their industry and power to achieve under existing conditions."

Take it all in all, the "New Economic System" is a very pleasant kind of system to contemplate. I can imagine the "very rich beneficiaries—the multi-millionaire class—of organized society" hustling around to get the money to defray the expenses of the Government while the masses are left free to use the wealth they produce in the "acquirement of pleasant homes and modest incomes." I can see in my mind a look of blank astonishment, yea, of abject terror, overspread the countenances of the "very rich beneficiaries," pure and simple, but must from thenceforth not only sustain themselves, but must also "defray the expenses of the Government."

I can also see—and the sight is a much more agreeable one—a look of holy contentment and restful happiness come into the care-worn, anxiety-creased faces of the toiling masses when they first comprehend the fact of their freedom, not only from the payment of taxes to support their Government, but from the payment of the enormous profits which had before regularly gone to pay for the \$10,000 dogs, and the \$100,000 horses, and the \$1,000,000 yachts, as well as the taxes of the "very rich beneficiaries of organized society."

Verily, the masses could and would rapidly gather to themselves pleasant homes and modest incomes and many luxuries and comforts hitherto unknown if they could once be absolutely free from the awful burden of taxation they are now carrying. An awful burden it certainly is, but just how awful cannot be told. It can only be approximated. For instance, the total tax collected in Illinois for all purposes—State, county, school, and municipal—in one year, according to the auditor's latest report, is \$30,978,341.67. Suppose we call less than half this amount, or \$15,000,000, the average amount collected by direct taxation in our forty-eight States and Territo-

ries. This will give an aggregate amount paid by the United States of \$720,000,000. Add to this the sum of \$380,000,000 collected by the National Government by indirect taxation, and we have a total annual tax bill of \$1,100,000,000. An awful pile of money, isn't it? Well, who foots the bill? There were 17,392,000 persons ten years old and over engaged in the various occupations in 1880. Of this number 7,600,000 were engaged in agriculture, 4,000,000 in professional and personal occupations, 3,800,000 in manufacturing, mechanical labor and mining, 1,800,000 in trade and transportation. From this number eliminate the 4,000,000 professional service persons and the 1,800,000 traders and transporters, whose taxes are paid out of the profits they make in administering to the necessities and wants of others; also at least 2,000,000 protected manufacturers and miners, who, by their own showing, have convinced the people that if others did not pay their taxes for them and further contribute to their support, they could not exist. The non-tax-payers (7,800,000) being eliminated from the total number (17,392,000), shows but 9,592,000 tax-payers in the United States. Although the census shows that of the total number (17,392,000) 1,118,356 were children between 10 and 15 years old, we will count but 592,000 children as tax-payers, leaving 9,000,000 heads of families to bear the burden of 1,100,000 taxation. Apportion this vast sum among the 9,000,000 wealth producers, and it will be found that the average family of wealth producers is annually robbed of \$122. When we repeat that the vast sum collected in taxes is taken from the masses and given to the office holding class, need we wonder that politics in this country has become a despicable trade, successfully patronized only by the most selfish, heartless and cold-blooded representatives of the human family? Need we wonder that cunning, unscrupulousness and dishonest, vice and fraud, in their most debasing and contemptible forms command a premium at every political contest of more than local importance?

The tariff question as between the two leading parties is not worthy of a second thought. The tax question as between the office holding and office seeking class (the professional politicians) and the wealth producers is of paramount moment.

However little faith THE NATIONAL ECONOMIST and other Alliance papers may have in the discussion of the tax question as now carried on by our political acrobats, there are two reasons why they can not afford to ignore the discussion entirely. First, they represent by far the most numerous body of real tax-payers in the country; and, second, they can not hope to successfully urge the adoption of a practical measure for the relief of wealth producers until the minds of the people generally and the farmers particularly have been thoroughly disabused of the foolish and deceptive illusion that the taxing power of government can in some way be manipulated to their advantage. The exactions of government can no more be made beneficial to wealth producers than the demands of a malignant ulcer upon a physical body can be made beneficial to the heart. Nothing is more absolutely certain than that however taxes are collected, whether by tariff, or land tax, or graduated income tax, the burden of their payment is shifted until it rests entirely upon the backs of those whose manual labors produce all wealth.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 4.

THE NATIONAL ECONOMIST

SATURDAY, APRIL 12, 1890.

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THE NATIONAL ECONOMIST.

Political Prognostics.

Ralph Beaumont, in a recent letter to the Journal of the Knights of Labor, said :

The Washington Post does not let an issue appear without having an interview with some fellow, who has blown in from somewhere, about the way the farmers are taxed to death by the tariff. The latest who was blown into Washington in this line is one Colonel Jos. K. Rickey, who hails from Caloway county in Missouri. He informed the Post reporter that he is a banker out in that State. He also informed him that the farmers out there are very strong in their Alliances; that they will have a hundred members in the next legislature; that the farmers are not getting anything for their produce; that they have not made expenses; and that they do not get anything for their beef. He then informed the reporter that the Armour and other beef combines are in a measure responsible for this, but that the main cause of the farmers' poverty is the way they are robbed by the iron and wool barons of the east. Perhaps it was modesty on the part of the colonel that prevented him from saying anything about the robbery of the farmer by the banks. Then, again, perhaps, it never occurred to the colonel that the portion the farmers were paying in interest was a burden to them. He said that the farmer was going to demand that Congress should legislate to relieve them from the robbery of the coal and iron barons; it never dawned upon this shyster colonel that already at the present session these same farmers had sent in thousands of petitions asking Congress to investigate how shamefully such money-lenders as he were robbing them in the form of interest on their mortgages. Oh, no, the colonel had not observed this move on the part of the farmers. In this case it was the same old story of the real thief crying out, "Stop thief!" But the remedy he proposes.

Listen! He says that Grover Cleveland was a great man; that his "Tariff Reform" policy was a great and statesman-like proposition; that, had his views been carried out by Congress, the farmers would have been delivered from the toils of the robber; and that the same great issue was to be introduced in the coming campaign. The colonel evidently had not heard that the farmers had gotten their eyes upon another robber, and in order to get the best of him they would, in the next campaign, demand that the Government should furnish them money direct without having to go to such as the colonel for it. Oh, no. The colonel is a politician, and he is not going to let that be the issue in the next campaign. He is going to tell the farmers that it is not the lack of money to pay their debts that ails them, but it is "tariff." Then, again, listen to him! He says that, in case Grover Cleveland will not consent to be the standard-bearer in the cause of "Tariff and Reform," the candidate of the Democratic party to carry the banner will be William C. Whitney, the ex-Secretary of the Navy. "Great gods and little fishes!" Farmers, just think of what you have got to swallow in the next campaign in the

form of reform! William C. Whitney, one of the largest stockholders in the Standard Oil Company! William C. Whitney, who owns all the surface railroads in Boston, all the surface street railroads in Chicago, all the surface street railroads in Chicago, all the surface street railroads in Philadelphia, and two-thirds of the surface street railroads in the city of New York; and only yesterday the press reports said that they had gobbled up the Twenty-third street line! William C. Whitney, who is the largest stockholder in the company that a few months ago gobbled up 40,000 acres of valuable coal land in East Tennessee! Think of it farmers! Think of what a dose this money-lending banker has fixed up for you to swallow! But, farmers, it would not be so bad if only this money-lending colonel had fixed up the dose, but the worst feature in the matter is that the leaders of the Democratic (God save the mark) party have the same notions in their heads as this colonel.

Friends of The Economist Please Notice.
Petitions are now coming in freely from all parts of the country. The chairman of the Legislative Committee desires to acknowledge receipt of all resolutions and petitions, but finds it impossible to do so, owing to the fact that few of them contain the post-office address of the sender. They usually sign the name of the president and secretary of some Alliance or Union, giving the number of the Alliance or Union, but they often omit the post-office. Consequently those who do not receive acknowledgments of the receipt of the petition or resolution, will know it was because no post-office was mentioned to which reply could be sent.

Lecturer Ben Terrell's Appointments.
Ben Terrell, National Lecturer, will visit the following States on the dates given, and remain for the time specified:
Kentucky, 2d April to 16th April.
Indiana, 18th April to 2d May.
Wisconsin, 6th May to 20th May.
Dakota, 23d May to 10th June.
Nebraska, 12th June to 24th June.
Colorado, 26th June to 10th July.
Kansas, 12th July to 19th July.
Indian Territory, 22d July to 30th July.
Missouri, 2d August to 16th August.

KENTUCKY.
Lexington, April 14.
Winchester, April 15.
Mount Sterling, April 16.
INDIANA.
Paolia, 1 o'clock, April 18.
Bedford, 1 o'clock, April 21.
Shoals, 1 o'clock, April 23.
Bloomfield, 1 o'clock, April 25.
Anderson, 1 o'clock, April 28.
Tipton, 1 o'clock, April 30.
Logansport, 1 o'clock, May 2.

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

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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., APRIL 12, 1890.

No. 4.

REDUCE THE PRESSURE.

Last week it was thought worthy of comment by the press that several farmers of Lancaster County, Pa., had delivered up their estates, having become hopelessly bankrupt. Lancaster County is put at the head of the column in value of farm products, the total being nearly or quite \$10,000,000 annually, but one other county in the country marketing over \$5,000,000. This is, indeed, one of the few countries in which the industry of farming has received such recognition that so small a thing as the failure of half a dozen producers would cause comment at all. As a general thing, the farmer who fails just quits on his own hook and becomes a tenant or laborer without even casual notice by the papers. Thus the enlistments go on in the army of the unsuccessful and the lands go into the hands of creditors.

The farmers of Lancaster County enjoy opportunities shared by few localities. In close proximity to the great centers of consumption the reduced cost of transportation enables them to practically exclude competition from the great markets in those products which by their bulk are rendered a dead loss to the Mississippi Valley producer. With a soil of extraordinary fertility and farms which are in the most perfect condition, the improvements dating back generations, there is no possible application of the claim that the debts of the owners were contracted in improving the farms, and hence are evidence of prosperity. The people of that part of Pennsylvania are constantly quoted as examples of thrift and sobriety, educated men who conduct their farms on business principles. And it is idle to impute misgovernment, as they are in full accord with the administration, State and Federal, accepting the full theory of tax and distribution which prevails, tariff, internal revenue, national banks, army and navy support, pensions, and all.

An incident like this, in the bailiwick of the factotums of the dominant party, should cause more than casual inquiry. Investigation will prove that in Pennsylvania there has been an enormous reduction in the profits of agriculture, from which to supply the needs of the people. This is shown in the degraded values attaching to farms. Attention has often been called to the decline in the trans-montane parts of Pennsylvania, the valley farms near Pittsburg which

ten years ago sold at \$200 to \$300 per acre failing to fetch more than \$50 to \$75. In various comments upon the facts it has been the custom to attribute the decline to the persistence of western competition. The western farmers have been told they bore the brunt of an unequal contest, and that their emancipation would come with the growth of local markets, and more diversified production.

In all the comment which has been evoked, scarce an inkling of the truth seems to have been discovered. The producers are taxed to the verge of pauperism. In the expenditure of the vast sum exacted from them their needs are never considered. Politicians glibly talk of \$300,000,000 for a navy, of \$200,000,000 for coast defenses, of \$500,000,000 for pensions, and of expenditures on a scale unexampled in the annals of history for every conceivable scheme whereby salaries may be increased in amount and number, but the patient plodders whose energy must supply the productive power are neither consulted nor considered.

With a system of taxation by which more than half the property of the country escapes entirely, those who produce find a constantly increasing ratio assessed against them, and while agriculture represents but one-fourth the capital and one-half the population, it either directly or indirectly contributes nearly nine-tenths of the whole fund for public expenditure. Thus a mighty discrimination is exercised against labor in production, and if a few failures in the most perfectly equipped farming community in the country cause a realization of the fact, there is yet a better side to the depression in Pennsylvania.

Is it not possible to make Congress realize the weight of the questions involved? If agriculture be not relieved of the burden it now bears, the chief of which is excessive and unequal taxation, made intense by contraction of the money volume which gauges the amount of produce absorbed, the homes of the people must become the footballs of fortune. Alms-houses may yet receive families who are now straining to meet the demands which they accept as necessary for the good of the country. But to the man who knows wherein the injustice lies, what excuse can be given for the present condition?

Reduce the pressure, ye who claim to represent the people; you have the power, reduce the pressure.

NOT MUCH THE MATTER.

Mr. Edward Atkinson, the great hair-splitting, bean soup statistician of New England, who figured out so elaborately a few years since that the laboring man with proper care might live on 17 cents a day, is out with a letter in Bradstreet's, stating that he is in doubt as to whether there is a general distress. He rises up in his cushioned chair in the City of Culture and champion pugilists and assumes to clear up the whole matter. The country is fortunate in having just such a man as Mr. Atkinson, ready at all times to inform all people upon all subjects. He begins as usual with a discussion of "the thingness of the which," as against the "whichness of the thing," and closes by saying that mortgages as a rule are evidences of prosperity; that the Western farmer don't understand his own situation anyhow; that he should come to New England and take lessons in economy and thrift; in fact that there is but little outside of New England that is really good, and but few people outside of her sacred precincts capable of giving proper advice. If the Western farmers will only continue to pay tribute to New England millionaires and manufacturers all will be well, but the moment they get cranky and do a little independent thinking and acting New England at once becomes nervous over the general situation, and calls upon such horny-handed, mortgage-ridden sons of toil as Mr. Atkinson to show that in reality the country at present is suffering from a surplus of success, or from the terrible effects of a persistent and reckless industry.

THE EFFORT TO DIVIDE.

There is one important point in the discussion of the sub-treasury plan that so far has been overlooked, which bears directly upon the idea of its being class legislation. The enemies of this plan will seek to divide the sentiment regarding its benefits to the people instead of formulating arguments against its correctness. This disposition has already manifested itself in different localities. "Divide and destroy" has been and will continue to be the war-cry of plutocracy. To divide the people upon the question of the equities of the measure is much better and less costly than to make an open fight on its merits. Consequently the subsidized press is even now demanding that the man who raises turnips shall have the same warehousing privileges as the one who raises wheat, or the man who grows oranges the same privilege of borrowing money by making deposits as the cotton grower. This is not done in the interests of either, but for the purpose of stirring up strife and in the end deprive the bill of that support it is so justly entitled to. The people should understand at the outset that it is a matter of absolute indifference through what medium this cheap money comes, whether it be through the producer of corn, wheat, pork, clothing, or wagons, or anything else,

if it only reaches its proper destination among the people. As proof of this, let the question be answered, how long will the manufacturer of flour, clothing, iron, etc., continue to pay the banks 10 per cent interest for money when the farmers of their locality are borrowing of the Government at 1 per cent? Or, how long would the owners of the orange groves of the South or the grazing lands of the West pay a tribute of 8 to 10 per cent to mortgage loan companies when the cotton planter or wheat grower is borrowing of the Government at 1 per cent? Cheap money to one branch of industry means cheap money to all branches. This is absolutely and unqualifiedly true, and can not be disproved. It is a matter of no importance, therefore, through what source the supply of money comes if it comes unburdened with costly adjuncts. What the people need at the present time is more currency, plenty of money. In fact, they need and must have cheap money; that which is not burdened with the support of idleness and debauchery. Cheap money is that which comes from the Government direct to labor in production, freed from the tribute now demanded by trusts, corporations, and combines. In this there is no class legislation, but a general benefit to the whole people and country.

CENSUS INQUIRIES.

The following questions will be asked by the census-taker in regard to owners and tenants, farms and mortgages. Mr. Porter has given his opinion in advance that less success may be expected from these questions than others, in order that the plutocratic portion of the people may have some excuse for declaring them unreliable. However, it is hoped they will not go through the same revision at the Census Bureau it is claimed the insurance report did of the last census:

25 and 26. Is the home you live in hired, or is it owned by the head or by a member of the family?

27. If owned by head or member of family, is the home free from mortgage incumbrance?

28. If the head of the family is a farmer, is the farm which he cultivates hired, or is it owned by him or by a member of his family?

29. If owned by head or member of family, is the farm free from mortgage incumbrance?

30. If the house or farm is owned by head or member of family and is mortgaged, give the post-office address of owner.

BEGINNING TO REALIZE.

After all the resolutions, letters, and petitions asking for more currency, the delegations in Congress from Kansas and Nebraska have progressed far enough to think it might be well to give the people free coinage of silver. They have been so busy looking after pensions and election laws that they have had but little time to consider this matter. If they wish to commit political "hari-kari," they can go home without doing something in the direction of more money and less misery.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 10.

With the beginning of Secretary McCulloch's administration came the course of contraction. The war had closed and the soldiers, both North and South, had returned to the business pursuits of life. The final payment of the bonds were assured and the immense profit accruing from their purchase was apparent to all. All future profits depended upon the manipulation of the public debt, through the increase or decrease of the circulating mediums. The act of March 3, 1865, had provided ways and means for meeting the expenses of the Government, and up to this time not a single bond of the United States had been sold in Europe. Let it be remembered that it was not until after Appomattox that any of our bonds were sold abroad. To prove this assertion and show at the same time the cause for going to England for money, the following is quoted from the report of Secretary McCulloch for December 4, 1865:

The fact that means have been raised, without foreign loans, to meet the expenses of a protracted and very costly war, is evidence not only of the great resources of the country, but of the wisdom of Congress in passing the necessary laws, and of the distinguished ability of the immediate predecessors of the present Secretary in administering them. It is hardly necessary to suggest, however, that the legislation which was proper and wise during the progress of hostilities may not be appropriate or even justifiable in time of peace.

The right of Congress, at all times, to borrow money and to issue obligations for loans in such form as may be convenient is unquestionable; but their authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law which sanctions whatever the representatives of the people, whose duty it is to maintain the Government against its enemies, may consider in a great emergency necessary to be done. The present legal-tender acts were war measures, and while the repeal of those provisions which made the United States notes lawful money is not now recommended, the Secretary is of the opinion that they ought not to remain in force one day longer than shall be necessary to enable the people to prepare for a return to the constitutional currency. It is not supposed that it was the intention of Congress, by these acts, to introduce a standard of value in times of peace lower than the coin standard, much less to perpetuate the discredit which must attach to a great nation which dishonors its own obligations by unnecessarily keeping in circulation an irredeemable paper currency.

It has not, in past times, been regarded as the province of Congress to furnish the people directly with money in any form. Their authority is "to coin money and fix the value thereof;" and, inasmuch as a mixed currency, consisting of paper and specie, has been found to be a commercial necessity, it would seem

also to be their duty to provide, as has been done by the national currency act, that this paper currency should be secured beyond any reasonable contingency. To go beyond this, however, and issue Government obligations, making them by statute a legal tender for all debts, public and private, is not believed to be, under ordinary circumstances, within the scope of their duties or constitutional powers.

The reasons which are sometimes urged in favor of United States notes as a permanent currency are the saving of interest and their perfect safety and uniform value.

The objections to such a policy are that the paper circulation of the country should be flexible, increasing and decreasing according to the requirements of legitimate business, while, if furnished by the Government, it would quite likely be governed by the necessities of the Treasury or the interests of parties, rather than the demands of commerce and trade. Besides, a permanent Government currency would be greatly in the way of public economy and would give to the party in possession of the Government a power which it might be under strong temptations to use for other purposes than the public good—keeping the question of the currency constantly before the people as a political question, than which few things would be more injurious to business.

The issue of United States notes as lawful money was a measure expedient, doubtless, and necessary in the great emergency in which it was adopted, but this emergency no longer exists, and however desirable may be the saving of interest, and however satisfactory these notes may be as a circulating medium, these considerations will not, it is respectfully submitted, justify a departure from that strict construction of the Constitution given to it previous to the war by patriotic men of all parties, and which is essential to the equal and harmonious working of our peculiar institutions. The strength of the Government has been proved by the manner in which it has carried on the greatest war in modern times; it only remains for the vindication of its excellence and the perfection of its triumphs that all powers exercised for its preservation, but not expressly granted by the Constitution, be relinquished with the return of peace.

While, therefore, the Secretary is of the opinion that the immediate repeal of the legal-tender provisions of the acts referred to would be unwise, as being likely to affect injuriously the legitimate business of the country, upon the prosperity of which depend the welfare of the people and the revenues which are necessary for the maintenance of the national credit and unjust to the holders of the notes, he is of the opinion that not only these provisions, but the acts also should be regarded as only temporary, and that the work of retiring the notes which have been issued under them should be commenced without delay, and carefully and persistently continued until all are retired.

In speaking of the legal-tender acts, reference has only been made to those which authorized the issue of United States notes. The interest-bearing notes, which are a legal tender for their face value, were intended to be a security rather than a circulating medium, and it would neither be injurious to the public nor an act of bad faith to the holders for Congress to declare that after their maturity they shall cease to be a legal tender, while such a declaration would aid

the Government in its efforts to retire them, and is therefore recommended.

The rapidity with which the Government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. The Secretary, however, believes that a decided movement toward a contraction of the currency is not only a public necessity, but that it will speedily dissipate the apprehension which very generally exists, that the effect of such a policy must necessarily be to make money scarce and to diminish the prosperity of the country.

It is a well-established fact, which has not escaped the attention of all intelligent observers, that the demand for money increases (by reason of an advance of prices) with the supply, and that this demand is not unfrequently most pressing when the volume of currency is the largest and inflation has reached the culminating point. Money being an unprofitable article to hold, very little is withheld from active use, and in proportion to its increase prices advance; on the other hand a reduction of it reduce prices, and as prices are reduced the demand for it falls off; so that, paradoxical as it may seem, a diminution of the currency may in fact increase the supply of it.

From this it will be seen that the doctrine of the United States notes being a "war measure" was first introduced by Secretary McCullough and discussed in his first report to Congress. From that day to the present, even with the decision of the Supreme Court to the contrary, this same fallacy is being taught. For the purpose of refuting this doctrine the decision of the Supreme Court is given below:

Washington, March 3, 1884.—A decision was rendered by the Supreme Court of the United States today in the long pending legal-tender case of *Augustus D. Jiliard vs. Thomas S. Greenman*, brought here by writ of error from the Circuit Court of the United States for the southern district of New York. The question presented by this case, as stated by the court, is "whether notes of the United States issued in time of war under acts of Congress declaring them to be legal tender in payment of private debts, and afterward, in time of peace, redeemed and paid in gold coin at the Treasury, and then reissued under the act of 1878, can under the Constitution of the United States be legal tender in payment of such debts."

The court is unanimously of opinion that the present case cannot be distinguished in principle from cases heretofore decided and reported under the names of "legal-tender cases" (13 Wall 457), "Dooly vs. Smith" (13 Wall 604), "railroad company vs. Johnson" (15 Wall 105), and "Maryland vs. railroad company" (22 Wall 105), and all the justices, except Justice Field, who adheres to the views expressed in his dissenting opinion in those cases, are of opinion that they were rightly decided. The court holds, therefore, that Congress has power to issue obligations of the United States in such form and to impress upon them such qualities as currency for the purchase of merchandise and payment of debts as accord with the usage of a sovereign government. The power as incident to power of borrowing money, and issuing bills and notes of the Government for money bor-

rowed, of imposing upon those bills or notes the quality of being legal tender for the payment of private debts, was a power universally understood to belong to sovereignty in Europe and America at the time of framing the adoption of the Constitution of the United States. This power of making notes of the United States legal tender in payment of private debts being included in the power to borrow money and to provide a national currency, is not defeated or restricted by the fact that its exercise may affect the value of private contracts. If upon a just and fair interpretation of the whole Constitution a particular power or authority appears to be vested in Congress, it is no constitutional objection to its existence or to its exercise that property or contracts of individuals may be incidentally affected.

The court says in conclusion:

Congress, as the legislature of a sovereign nation, being expressly empowered by the Constitution to levy and collect taxes, to pay debts and provide for the common defense and general welfare of the United States, and to borrow money on the credit of the United States, and to coin money and regulate the value thereof and of foreign coin, and being clearly authorized to coin as incidental to the exercise of those great powers, to emit bills of credit, to charter national banks, and to provide a national currency for the whole people in the form of coin, Treasury notes, and national bank bills, and the power to make notes of the Government a legal tender in payment of private debts, being one of the powers belonging to sovereignty in other civilized nations, and not expressly withheld from Congress by the Constitution, we are irresistibly impelled to the conclusion that impressing upon Treasury notes of the United States the quality of being legal tender in payment of private debts is an appropriate means conducive and plainly adapted to execution of the undoubted power of Congress consistent with the letter and spirit of the Constitution; therefore, within the meaning of that instrument necessary and proper for carrying into execution the powers vested by this Constitution of the Government of the United States. Such being our conclusion in the matter of law, the question whether at any time in war or peace the exigency is such that by reason of unusual and pressing demands on the resources of the Government or of inadequacy of the supply of gold and silver coin to furnish the currency needed for uses of the Government and of the people, that it is as a matter of fact wise and expedient to resort to this means is a political question to be determined by Congress when a question of exigency arises, and not a judicial question to be afterward passed upon by the courts. It follows that the act of May 31, 1878, is constitutional and valid, and that the Circuit Court rightly held that a tender in Treasury notes reissued and kept in circulation under that act was a tender of lawful money in payment of the defendant's debt to plaintiff.

The judgment of the Circuit Court is affirmed. Opinion by Justice Gray, Justice Field dissenting.

The Independent (Tacoma, Washington) is disposed to analysis. It says, very sententiously:

Men in affluent circumstances think that it is native goodness and honesty that keeps them from crime, when in fact it is only a full stomach. Upon half or one-quarter allowance, they would be ugly, knavish and criminal.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Rural Messenger (Petersburg, Va.) ignores the existence of the National Colored Farmers Alliance and Industrial Union, the domicil of which is Houston, Texas, and which has branches in the Southern States. This order was in conference at St. Louis, and decided that it did not want consolidation, but was anxious for the most intimate confederation with the Alliance, realizing that there is no divided interest among farmers, and that the combination of all is needed to insure the fullest success. The best possible advice for the farmers of southside Virginia is to secure organizers by addressing Hon. R. M. Humphrey, Houston, Texas. The Messenger prints a communication from Surrey county, and adds to the trouble by advising:

Perhaps some of our brethren in the more populous white counties of the State have wondered why the aggregate membership of the Alliances in the tidewater counties is generally so small. It is because one-half or more of our population is of the colored race. A majority of white farmers is in the Alliance, but not a majority of the farm population. If there were colored Alliances here nineteen-tenths of the farmers of the section would soon be within the pale of the Alliance. This is an additional argument for allowing them to organize.

The Iowa Tribune (Des Moines) has little patience with those whose patriotism may be defined as hatred of fellow-citizens:

Senator Ingalls' specific for the mortgaged slaves of Kansas is an oration on the race problem. It is said he is preparing another speech on African vs. Americans to hurl at the Farmers Alliance of Kansas, if they dare complain any more about no cent corn.

The Tribune states a truth which might be said to foil that hoary cause of dissension, the tariff:

If we can have cheaper money than Europe gives, we can pay better wages and capture the markets of the world.

Sol. L. Long has sold out the South Kansas Farmer (Mo-line) to F. M. Hogan, who, he says, has more money and ability. This paper should be well supported.

The Faulkner County Wheel (Conway, Ark.) is one of those aggressive papers that keeps stirring up things. It asks:

If, as President Harrison says, "Times are good, peace and contentment prevails, and money is plentiful," what in the thunder are people kicking so for? Why don't they still go along and vote 'er straight?

The Wheel hits straight out:

Remember that the Democratic cry of "Low tariff!" nor the Republican cry of "High tariff!" does not add a dollar to the currency of the country. So far as the farmer is concerned, neither low tariff nor high tariff helps him. Farmers and producers need more money in the country, and the demands of the Alliance and Industrial Union, and of the Union Labor party, enacted into law is the only way to relieve oppression and get more money.

The Journal of the Knights of Labor (Philadelphia) is getting to be quite irreverent so far as the parties are concerned:

The farmers and the Knights of South Carolina are giving great uneasiness to the Democratic machine, and in Kansas they are causing the Republican bosses to lose their rest, while all over the West, Northwest, and South the politicians have been placed on the anxious seat. Their political morals will be improved by staying there for a while. Keep the monkey cage stirred up.

The Alliance Sentinel (Lansing, Mich.), the organ for that State, says:

The farmers of the West and South are thoroughly organized and they will watch the acts of our Congressmen on financial questions, for this body cannot forever aid the

banker and money loaner to add more to their millions by perpetuating a system of robbing the people. These organizations will be more than vigilant and see to it that these hirelings of monopoly do not get control again; they will act as one man, neither will their thoroughly drilled adversaries disturb them with their artful wiles.

The Colleton Press (Walterborough, S. C.) says:

The sub-treasury scheme of the Farmers Alliance is engaging the attention of the farmers of Colleton. The plan is thought to be practicable, and an effort will be made, we think, to put it into execution.

The St. Louis (Mo.) Christian Advocate reasons to an orthodox position:

Some geologists have contradicted Moses; but as all geologists have contradicted each other, Moses stands about as well as anybody.

The Caucasian (Clinton, N. C.) discusses Senator Voorhees' proposition for a full supply of legal tender money:

As to his second remedy we would say that we agree with THE NATIONAL ECONOMIST that we need not only a sufficient volume of money, but that volume must be flexible—a volume to control and expand according to the demand made by the existence of marketable products. This done and no law would be necessary to bring about the fourth remedy. Then gambling on the products of the soil would be impossible.

The People's Signal (Marlin, Tex.) is one of those staunch exchanges always to be relied on as a friend to the cause. It does not call on Mr. Reagan in vain, as his recent utterances show:

It is consoling to know that we now have two men in the United States Senate who dare raise their voices in defense of the people independent of party caucuses, Daniel M. Voorhees, of Indiana, and Henry M. Teller, of Colorado. Who next? Where is our old friend, John H. Reagan? It is your time next, John.

A correspondent of the Baltimore Baptist from Ashville, N. C., has met Mr. and Mrs. Jno. D. Rockefeller in church, and thinks it a matter for publication that—

After the services were over, instead of the hurried departure so often taken by wealthy people, he and his wife lingered long and were introduced to the brethren and sisters who remained, and cordially shook hands with the humblest of them. Their easy, sympathetic, and pious demeanor charmed us all, and was a matter of remark on the way home.

By the way, what kind of a brother or sister is the humblest? The Alma (Kan.) News says:

It is wisdom to study well the influence upon the whole country of statutory acts before giving them the force of established laws. All this discussion is of benefit to the people, through it they are made acquainted with each other's opinions. Ideas are drawn out and an understanding is being arrived at such as was not possible to attain in any other way. This is a land of free thought and action, and now that we are thinking for ourselves instead of implicitly taking for granted the opinions of our public men as a guide in all matters, the light will soon be breaking through the clouds of discontent that has enveloped us.

The Pilot (Boston, Mass.), has for its motto Shakespeare's, "Be just and fear not." It says:

The American workingman may have to pay more for his boots under the new Republican tariff, and he may go hungry rather than pay five cents a dozen duty on eggs, but he won't have to pay a cent of duty on all the diamonds, attar of roses, and mother-of-pearl that he cares to import. The new tariff puts them on the free list.

Another extract is here given:

The problem just now most important is how to encourage consumption and renewed energy in production, and in doing these to make a fair distribution of the gifts of nature. As matters now stand labor might double its production of wealth and itself become poorer. These conditions must be changed, and the only place they can be successfully and permanently changed is at the ballot box. We must know when we cast our votes whether we are voting for a friend or foe, and the only way we can know is to know if he endorses our ideas of reform.

Thorns and Thistles.
BY HARRY HINTON.

I've said it once and I'll say it again;
I've said it in the sunshine and I'll say it in the rain;
I've said it in America and I'll say it in France,
And I'll say it always when I have the chance,
That you can't gather grapes from thorns nor figs from
thistles;
That you can't clip wool from a hog where always grow
the bristles;
You can't elect railroad men and get cheap transporta-
tion;
You can't elect moneyed men and get an honest circula-
tion;
You can't elect the dissolute and have a pure govern-
ment;
You can't elect a partisan whose acts will be worth a
cent;
For just as the twig is bent the tree is inclined;
If you sow unto the wind you'll reap the whirlwind.

The keenest anguish, the most heartrending re-
morse that the lost and damned experience in the
life hereafter, arise from the consciousness that those
pangs they feel are all caused by their own actions.
Retributive justice does not always wait for death.
A portion thereof is meted out in this life on the in-
dividual, and is often visited on his offspring to the
third and fourth generation. Lay not the flattering
unction of your soul, American voters, that all the
misrule, and corruption, and mislegislation by which
you are brought nigh unto Egyptian bondage are al-
together the fruits of designing and corrupt men; for
I have seen the temperance advocates pass out of the
hall and vote for a drunkard; I have seen the Chris-
tian come out of his church and vote for an adulterer
and a villain; I have seen the farmer with his grain
rotting for a market leave his darlings at home and
vote for a railroad lawyer, and I have seen the poor
leave his miserable hut and vote for a money lord;
all for the insignificant reason that he belongs to
"our" party.

In olden times, when it was allowable for a man
to have two wives, a middle aged man fell in love
with two women, and needs must marry both at once.
The one was young and blooming and wished her
husband to appear young; the other was older and
wished him to appear more a suitable match for her.
So the young one seized every occasion to pull the
gray hairs out of his head, and the older one was
equally as industrious in pulling out the black ones.
The good man was highly pleased with their affec-
tive attentions, till waking up one morning he
found he scarcely had any hair left on his head.

The people have been fondled by the two parties,
and they have been successfully plucked of their
substance (tariff or no tariff) until they have discov-
ered they have but little left.

It would be a matter of very nice discrimination to
justly weigh and place each portion of the burden of
one misrule and wrongs upon the shoulders of those
where it properly belongs. But there are some
things which need no verification. First, that ma-
chinery politics as it now exists is an engine of cor-
ruption and oppression; second, that the element
which have been ruling this country have betrayed
the interest of the common people through ignorance
or vice, and consequently is no longer worthy of their
votes; third, the Government is assuming the spirit
and practice of an oligarchy which deems the people
fit subjects to be duped and preyed upon. These

three facts need no proof, for they are facts open and
patent to every thinking man.

It is by and through machinery politics that all the
abominations which have been enacted were made
possible. It is by machinery politics that the people
have been led blind victims to the altar and influ-
enced to vote for their own and for freedom's ene-
mies. It is by machinery politics that two villains,
one of each party, have been placed in the field and
the citizens forced to vote for the one or the other,
or remain silent. It is by machinery politics that the
railroad attorneys and the tools of the money
power control nominating conventions and place in
the field their willing instruments against the peo-
ple's rights. Nevertheless, it is necessary to have
parties, it is natural to have parties, but it would be
well for the people to have their own parties, and en-
tirely discard the element which has so miserably
mismanaged this Government as regards their inter-
ests and in favor of a select few.

One half of the property in the United States which
belongs to the wealthy does not pay over one five-hun-
dredth part of the taxes of the country. That is to
say, if there was \$500,000,000 to collect, one-half of
the property belonging to the rich pays \$1,000,000,
and the other half, including the common people, pay
\$499,000,000. This is awful, still it is true. If any
man desires the proof let him call for it. The object
of the political machinery is to keep up this inequality
and still throw these ponderous burdens upon the
masses until they are crushed into serfdom or slavery.

The present ruling element is in a miserable and
in a pitiable condition, so far as the politicians and
law-makers are concerned. They are tied and bound
hand and foot. A few unclean scoundrels assume
control of each political party and dictate to every
one what shall or shall not be done, and should any
one demur off goes his political head in a trice. They
are enabled to do this by the working of the machine.
Nothing short of a complete change will ever liber-
ate them from their willing bondage and give the
people their rights.

Because the present ruling element has submitted
to this partisan bondage, and have allowed the people,
through their ignorance or knavery, to have been de-
spoiled of their substance through money manipula-
tion, monopoly, waste, and unequal taxation, without
a protest, it has forfeited all claim to the support of
the people. It has been weighed in the balance and
found wanting. They have disgraced politics. They
have disgraced the nation. (Read Washington's
farewell address).

We'll have another farce this year—the great Amer-
ican farce, or we might call it the great American
bull fight. Most of the States will elect Congressmen
and the same old champions will be on the arena,
and the same tools of the oligarchy will essay to con-
trol the nominating conventions. The people will
dispute the field in some cases and win. They will
dispute it in other cases and lose. Here, my coun-
trymen, is the field of contention. Here is where the
battle is to be fought. Here is where it is to be lost
or won. Here are the nominating conventions. Lose
this field and you lose all. Fill the field with the
right material and it matters not who is elected. This
is the way the money magnates did when they placed
Blaine and Cleveland in nomination. We must fight
the devil with fire.

It is Time to Act.

BY H. L. LOUCKS, PRESIDENT N. F. A.

It is safe to say that there never has been a time
when the farmers of America were so thoroughly
aroused to the necessity of organization for self-pro-
tection as the present. From all sections of the
United States comes the same cry of agricultural de-
pression, and strange as it may seem, though organ-
ized under different names and methods and widely
separated by distance, they have universally arrived
at the same conclusion as to the cause and the rem-
edy. Stranger still, the great labor organizations of
our towns and cities, with whom we used to think we
could have no affiliation, are heartily advocating the
same general principles. In these various orders we
have a sufficient membership to secure all our just
demands. Why have we not? Simply because we
lacked concentration of effort. Too many organiza-
tions pulling in different directions. We can never ex-
pect to win until we all move in unity; not neces-
sarily in one organization, as that would take too
long, but by a union of all labor organizations for the
special purpose of legislative action. We cannot
hope to secure as perfect an organization as our op-
ponents, of which the New York *Tribune* has the fol-
lowing to say:

The time is near at hand when they (the banks) will feel
called upon to act strongly. Meanwhile a very good thing
has been done. The machinery has been furnished by
which in an emergency the financial corporations of the
East can act together at a single day's notice with such
power that no act of Congress can overcome or resist their
decision.

Happily for us there is now a disposition prevail-
ing among labor leaders to lay aside personal aspira-
tions and press for organic union, and when that is
found impracticable, for co-operation as far as we
can agree upon a platform of principles. Great pro-
gress was made in this direction at our meeting in
St. Louis last December, three of the strongest orders
uniting on well-defined principles. The effect of this
union is apparent in the present Congress. With a
well-directed, concentrated effort of all labor organiza-
tions we would be irresistible. Our duty then is to
secure such action at the earliest practicable date.
Some organization must make a beginning in each
State. I would, therefore, urge that the president of
each State Alliance should correspond with the proper
officers of all labor or other organizations in his State
that approve of our platform of principles as adopted
at St. Louis, for the purpose of calling a State con-
vention to consider the best means of securing the
election of Representatives in Congress who will
work for those principles as paramount to all others.
Where we have no State Alliance I would earnestly
urge that the presiding officer of any other farmers'
organization would take the initiative.

We should have a convention in every State of the
Union early this year. This being an "off year"
politically, will be a favorable one for organization.
By proper effort we can secure the control of the
House of Representatives and stop any further an-
tagonistic legislation, and be prepared for effective
work in 1892. I understood by the press that the
Alliance in South Carolina and Georgia have already
taken action. As this is the most important move
that can be made this year, I trust you will give it
your immediate and earnest attention. It is the only
means to secure justice.

"I love my mountain home,
Where wild winds love to roam;
Where the cypress vine
And the whispering pine
Adorn each granite dome.
But everywhere is home to me
Where I can be free."

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

The farmers of Kansas are told it would be unconstitutional
to help them and save their homes. If so, change the
Constitution, and let them know that laws and constitutions
are made for men, not men for those. The farmers have too
many traitors in camp who make laws for them.

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

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

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

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

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

Address all remittances or communications to—

THE NATIONAL ECONOMIST,

WASHINGTON, D. C.

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

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

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

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

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

THE POWER OF ORGANIZATION EXEMPLIFIED.

The Alliance can learn an important lesson in regard to the effectiveness and power of organization by a careful examination of the methods practiced and the results obtained by the Grand Army of the Republic. Through no other means except a thorough and complete organization could the men comprising this body force Congress to spend one-half its time considering measures relating to their demands, and as a result receive in pensions one-fourth of the gross revenue of the nation. This organization has made its power felt politically, socially, and financially throughout the entire nation, and yet it is absolutely non-partisan. It has a definite object in view, however, and that is the rights of its members

in the administration of the Government, its rights as regards pensions, as regards Government employment, public offices, and political preferment. It exacts a pledge from every aspiring politician, and woe betide him who forgets or seek to evade these promises. It has demonstrated its power to make or unmake in many political contests, and has taught the public official that its demands cannot safely be ignored. At the present time let a Senator, especially one whose term of office is about to expire, or a Congressman, receive a request from a member of this organization, and immediate signs of activity will be the result. A petition signed by a hundred of his farmer constituents would be put one side to wait for a more convenient season, but a message from one of these Grand Army posts would send him in hot haste to attend to its demands. The present Congress is spending nearly all its time in devising ways and means of showing its willingness to serve this organization. It has so far ignored the existence of the Alliance, simply because the Alliance, in its organized capacity, has not as yet asserted itself. When that time comes, and from present indications it is near at hand, a request from a Farmers Alliance will be respectfully entertained and their demands thoroughly and carefully considered. It is neither by reason, justice, nor judgment that the average politician or office-holder is made to perform his duty, it is through fear. It is the open sepulcher of political oblivion that brings him to a full sense of obligation to his constituents. The G. A. R. have not formed a new party; they have acted more wisely and have accomplished their objects much more completely. Let their action in this regard be a standing admonition and guide to the Alliance in its endeavor to right the great wrongs under which its members are now being crushed. The example is visible and should not pass unheeded by any body of men seeking reforms through the medium of organization.

MR. DODGE MAKES ANSWER.

Editor National Economist. Your criticism of my position relative to over-production of wheat is entirely irrelevant, failing to touch the vital point. Therefore I pass by your wild wandering among the figures of production and distribution. Your view is too narrow. You treat an international question solely from a national point of view. You forget that the foreign demand makes the price, and want of it leaves us in a condition of over-production, and that such demand was 186,000,000 bushels from the crop of 1880, and only 88,000,000 bushels for that of 1888, leaving 312,000,000 bushels only from the largest crop ever produced up to that date. Some of our largest crops have sold at the highest prices, and some of our smallest crops at the lowest prices, simply because we depend on a foreign market for the purchase of ten million acres of our wheat.

It is the pressure of foreign competition, on that part of our production that goes abroad, which reduces prices. The reduction makes possible the sale of the surplus. And after all, notwithstanding juggling

with the figures of production, the supply left for home consumption (after deducting exports) has increased as follows:

	Product.	Export.	Net supply.
1870-77.....	312,052,728	84,592,377	227,460,351
1880-89.....	449,695,359	126,672,662	323,022,697

The average for the last decade (1880-89) was 323,000,000 bushels per annum; for the previous decade (1870-79) it was 227,000,000 bushels. This is an increase of 42 per cent, against an increase of 30 per cent in population. So the supply has increased absolutely and per capita, even after forcing off in exports at unremunerative prices.

It does not need much examination of the statistics of our production of wheat to decide that a surplus of 126,000,000 bushels is over-production if it is not wanted abroad at a paying price, and especially if only a part of it will be taken at the prices which serfs and semi-savages are willing to take. When we see three-eighths of the great crop of 1880 going off at good prices while only one-fifth of the small crop of 1888 is sold at starvation prices, is it not about time to cry over-production and a halt in this slave-competing and senseless drudgery?

I am a member of the Grange, and have given my life to the study of practical agriculture, in the field, the agricultural sanctum, and as editor of the reports of agriculture, and desire to speak for the working farmer, not as an economic or socialistic crank, or as a political farmer, a crop of which there is over-production at present, which threatens further loss and danger to agriculture.

Now, you and I, Mr. Editor, should frown upon these enemies of agriculture, and join in leading the farmer to more profitable fields of effort, for the want of which there is under-production as a whole, a lack of production which is sorely needed, and which would increase the revenues of farmers by hundreds of millions of dollars.

I commend to your consideration the dictum of the editor of the Iowa Homestead, concerning wheat and corn, that "farmers would be much better off if not a bushel of these products was exported at present prices." I fully agree with him.

There is another cause of low prices, the combinations and greed of middlemen, which was the subject of exposition and animadversion in my official review of agricultural depression and its causes. You do not openly oppose that, but I hope that is not also the object of your criticism, as I should be sorry to see you espouse the cause of the middlemen.

J. R. DODGE.

A POINTER FOR THE FARMER.

A bill is now before Congress to relieve the Supreme Court of its accumulated business, by constituting some sort of an intermediate court, and in so doing furnish a few men \$10,000 for this class of wealth producers. Petitions asking for the passage of this bill are coming in from the different bar associations throughout the country. The attention of the farmers is called to these two propositions: (1) There will be nothing found in the constitution interfering with the legality of the bill. (2) It will become a law long before the measures for relief of agriculture will even be considered. The lawyers number 50,000, the farmers, 34,000,000; draw your own conclusions.

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. 50.

THE FUNCTIONS OF COMPETITION.

In considering the subject of pools and trusts we have so far established the following points:

The purpose of all these combinations is to prevent the operation of competition. Against combinations which do not have this purpose no complaint is made. Many objects may be gained by more or less enduring forms of combinations, which the public cannot only tolerate, but approve. But with regard to those unions which form the vital subject of the day, we have shown that the allegation of any other purpose than that of suppressing competition and securing the advantage over the rest of industry that is to be obtained by the abolition of that force, is misleading and deceptive.

With regard to railroad agreements and pools, we have shown that the assertion of the object of improved facilities for shipment and the prevention of discrimination is incorrect, because, in the first place, the form of organization adopted is not such as to facilitate through shipments. Combination between connecting lines has never been criticised, but combination between competing lines has no bearing upon the improvement of facilities for shipment of freight over two or more lines. The suppression of competition takes away the inducement to railroads to improve their facilities, by taking away the reward which follows such improvement, and the penalty which inflicted under competition for neglect to provide the best facilities. The pools and agreements do not prevent discrimination, because their history shows that the most vital discriminations have often been enforced by the most successful pools. That history has been enlarged within the past few weeks, by the discovery that one of the leading railroad associations of the country, the Central Traffic Association, has for the last year permitted a discrimination in favor of a certain coal-producing district within its territory, by which the rates it pretended to enforce were reduced 25 cents per ton. It has not exercised its alleged authority to prevent that discrimination, simply because to do so would bring on the competition which it desires to prevent. Finally, the history of railroad combination shows that the progress from simple agreements through divisions of territories, traffic pools, and money pools has been made solely without reference to the alleged utility of the various kinds of combination, but that one form has been abandoned for the other, distinctly and avowedly, because the first failed to secure the suspension of competition, which it was hoped might be attained by the closer form of combination. With regard to pools and trusts in industrial and commercial enter-

prises, the same exposure of misleading pleas and justifications has been made. The plea that trusts are organized to enlarge the capital engaged in any industry has been shown to be false, because the corporate system permits the use of all capital necessary for any given enterprise; because the scale of capital beyond that permitted by the corporate system is not necessarily advantageous to economic production; because the trusts and pools never bring any real increase of actual capital into the business which they control, but only water, and inflate the capital already existing in the establishments which are combined under them; and finally, because the protection of ordinary capital from mismanagement and dishonesty is totally absent, and has been proved to be one of greatest vices of the trust.

The argument that industrial trusts and pools seek to establish improved economic methods, to economize the cost of performing the service, and to establish cheaper prices, as has been alleged by some of the supporters, has also been proved to be false and misleading. The trusts take away the inducement to economic production, and at the same time remove the penalty to waste, negligence, and inefficiency. They do not establish any new industrial methods, but leave the various establishments to be run as they were before the combination, simply with the control that shall prevent them from competing with each other, and thus giving the greatest success to the individual concern that produces most economically, and is, therefore, enabled to sell its products most cheaply. It imposes upon the industry the cost of inflated capital, and adds to that cost the egregious and criminal waste of enforced idleness in order to arbitrarily restrict production. Finally, whenever either industrial trusts, pools, or agreements have failed in their vital and characteristic object of suppressing competition and raising prices, the assertion that they establish improved methods of doing business has been disproved by their own action, in dissolving the combination and resuming competition, until some new form of suppressing that force has been devised and put into operation.

Next, the object of the combinations being shown, beyond all question, to be the obstruction of competition, the inquiry has naturally turned to the importance and value of that force. We have shown that it is based upon the universal desire of commercial effort to secure profit by offering the greatest returns for the money of those who purchase; but while based upon the desire for profit, we have also shown it results, in every instance, in bringing down the profit to the margin which represents the common willingness of mankind to receive as returns for their industrial or commercial efforts. With that universal and inevitable effect of free competition, the function of that force is to distribute industry and to divide its returns by natural and unerring laws, as could be done by no other system devised by the ingenuity of man, or produced by the most fertile imagination. It performs these vital and necessary functions in the following important respects:

1. By permitting capital and labor to flow freely into each department of effort, it assures the most natural and unerring distribution of effort among all the divisions of industry. Where competition is free, the fact that one department of effort offers greater inducements to capital or labor than another proves

that capital or labor is most needed there. Where competition is suspended, the natural operation of this law is interfered with, and the penalty is produced of holding out apparent inducements of large profits to new capital or additional labor which do not legitimately exist; while if the suspension of competition amounts to a prohibition of new capital or labor in any industry, it establishes a privileged class in the given industry.

2. In the distribution of profits among the various industries, the fact that competition is free in all of them will bring down the margin of profits to a common and natural basis, varied only by the skill and especial training required for each class of effort. To suspend competition in a single branch of industry, enables it to secure profits in excess of its natural proportion, and therefore compels all other industries to serve it at less than their natural return in the exchange of its products for those of the other.

3. As between individuals, competition distributes by natural influences the rewards of effort in proportion to the industry, application, honesty and intelligence of each separate worker. It places a premium on the qualities that are most successful in the production and distribution of the necessities of life. Wherever competition is suspended, it distributes success by the deadly principle of favoritism, and permits the inefficient, the dishonest, and the indolent worker to secure the success which may be denied to the efficient, honest, and industrious. In other words, free competition naturally offers the reward to the best qualities and establishes the great and beneficial law of the "survival of the fittest," while enforcing the penalties of extinction and failure against the qualities that are vicious and injurious.

4. As a result of the foregoing functions, it was shown in the last article that the broadest work of free competition is to maintain a democratic distribution of the rewards of effort, in the dissemination of wealth among the greatest possible number, and the most general prevention of great and overpowering fortunes in the hands of the few. The principle of giving the greatest reward to those who best deserve it is retained and enforced; but there is no such vast difference between the natural abilities of mankind, as there is between the fortunes of the hundred millionaires and those of the masses in the present day. The most overwhelming proof of the beneficial effects of competition in distributing wealth among the greatest number, and the injurious effect of its suspension in creating and concentrating wealth in the hands of the few, is to be found in the fact that every great fortune of the present day, if traced to its source, will be found to have been rooted and originated in some suspension of competition by which the men who amassed that wealth was given a vital and exclusive advantage above his competitors.

The action of the law of competition having thus been shown to be that of a great natural force, holding the commercial system together, as surely as the law of gravitation holds the earth together, and sends the streams in their natural channels to the sea; it is evident that any indictment of its operation must prove the injurious action of the force beyond the possibility of a doubt. No mere allegation is sufficient to establish the claim that competition is destructive and oppressive in its character. The presumption, from the grounds just stated, is over-

whelming in the other direction. The assertion of injurious effects from the operation of a great natural law, must be supported by unmistakable proof that the injurious effects complained of, are not the result of the obstructed and uneven operations of the force rather than its natural and legitimate effect. Especially when this argument is used by those who are enriched by the suspension of competition, the plea of its destructive character must lie under the suspicion of interested misrepresentation. The operation of the great natural law which sends the rivers flowing through their channels to the sea, may be destructive where the channel is pent up; but the natural and obvious remedy to such an evil is to broaden the confined channel and to make the flow of the stream easier and more even. Why is not the same conclusion equally obvious in the case of those, who for their own interest, and in the pursuit of especial advantages for themselves, declare that competition is destructive, and claim the privilege of exemption from that force, while proposing to leave the great mass of industry subject to its alleged destructiveness, heightened and intensified by the obstruction erected for their special advantage?

This suspicion especially attaches to the declaration of the supporters of combinations among railroads and in industrial operations, that the force of competition is destructive, and must bring ruin on all those who engage in it without limit to its effects. The arguments of Mr. Alexander, Prof. Hadley, Mr. Fink and others, that competition means distress and injury to the community, bankruptcy and ruin to the investor, and finally financial crises and commercial panics, was cited in another article. It may be reinforced by the example offered before the House Investigating Committee upon the subject of trusts, in which those eminent exponents of the combination policy, Mr. John D. Rockefeller and Mr. Henry M. Flagler, of the Standard Oil Trust, declared that before the organization of their great combination, their industry was brought to the point of ruin and loss by the force of competition. The profitable character of its suspension is illustrated by the recent statements made on behalf of those gentlemen, that the income of one of them, now amounts to \$9,000,000 per year, and that of the other to \$3,000,000. We may perhaps accept such evidence as proving that competition would have been very destructive to the success of the schemes by which these gentlemen obtained their wonderful fortunes within the past eighteen years. The evidence is no less conclusive that the devices which they adopted for its obstruction and suspension in their own interests, have proved extremely profitable for them; but their assertion is by no means so far beyond dispute as regards the interest of the public, and the issue between the impoverishment and the prosperity of the masses.

The first thing to be said with regard to the plea that competition, if left unrestricted, will inevitably carry rivalry to the point of loss is that it belied the very purpose and object of competition. We have already pointed out, what every one knows, that the purpose of seeking to stimulate sales or attract purchasers under competition, by giving them the best returns for their money, is to secure the profit that is to be obtained by the largest sales upon the smallest margin. The sole and positive purpose of every competitive transaction is profit. To allege that the

pursuit of that purpose can be carried to the point of defeating it, is to suppose that the mass of mankind, and especially that intelligent part of it conducting the industries especially seeking the abolition of competition, are so stupid and ignorant that they cannot tell the difference between profit and loss.

The operation of competition leads a publisher to produce a book or magazine at a price so nearly the cost of white paper that it requires the sale of tens of thousands of copies to pay the expense of printing, but yields a large profit in the mass resulting from the sale of hundreds of thousands of copies at an infinitesimal profit on each copy. This argues the development of the greatest skill and the closest calculation of profit and expenses; but if the operation were to sell the publication at a price which imposes a positive loss on each copy, and enhances the loss as the sales are increased, so that the sale of every additional 10,000 inflicts an additional loss, then it would argue stupidity, if not actual insanity. The same argument applies to every department where competition has led to the development of the great principle of yielding large services, or the sale of staples in wholesale lots at the narrow margin of profit, which yield a great return on the vast volume of transactions. The purpose of all such great operations is profit. When that purpose is thrown aside or defeated the influence of competition is not at work.

This brings out the first point with regard to the assertion that competition is destructive of profit and prosperity in industry and transportation. The purpose and object of competition, the sole consideration for which it exists, is that of profit. So long as it yields a profit its existence is demonstrated and vindicated; but when the competition is carried not to the point where every transaction yields an additional loss, it is plain that the purposes for which competition exists and the conditions upon which it is established are absent. The universal and unmistakable purpose of commercial competition being to obtain profit, it is evident that when the rivalry is not that of seeking profit, but is that of inflicting loss, we must attribute all such cases, not to the operation of competition, but to the influence of some distinct and diametrically opposite force. What that force may be will be made plain in the future. It is enough for the present to show that while it may resemble competition on the surface, it not only does not serve its purpose, but actually defeats it. The point which is to be established right here is that the purpose and object of competition is to seek profit by the reduction of prices to as narrow a margin as will yield the largest return upon the greatest volume of transaction. When the rivalry carries that reduction so as to yield the largest loss upon the greatest volume of transaction, it has cast aside the purpose and object of competition, and has substituted a purpose diametrically opposed to that upon which the natural law of competition forms its existence and operation.

This is the first point in reply to the arraignment of competition as destructive. The rivalry which destroys and throws away profit is not the natural and legitimate competition that is found wherever that force is free and unrestricted, but it is an unnatural and illegitimate force, brought into operation by some abnormal influences which the study of such exceptions will develop.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

THE LEICESTER SHEEP.

The last of the long wooled breeds we shall describe in the Leicester. This sheep in its old form was the native breed of the midland counties of England; in its new form, as improved by the celebrated Robert Bakewell, of Dishley, it is one of the most artificial of the modern improved sorts of which England has been so marvellously prolific. The old Leicesters were large, coarse sheep on long legs, flat-ribbed and like all and every such animal, a slow, unprofitable feeder. Robert Bakewell, nevertheless, selected from this rather unpromising material the foundation of his flock, from which one of the rams at a late day fetched two thousand dollars for his use during a single season. This man Bakewell seems to have been a person in whom native meanness of spirit was developed to an extreme degree, and he took pains to conceal from his nearest friend every detail of his proceedings, and finally died without having disclosed or left any record of anything he did, or of the principles of selection, feeding, breeding, and general management whereby he achieved his great success in improvement of both sheep and cattle. That he was a person whose talents and capacity were only exceeded by his odious selfishness, seems clear, for though he was the first of the professional feeders and improvers of live stock, no one since his time has achieved greater results. It is a deliberate purpose of the writer to insist upon a recognition of the odious meanness and life long selfishness of this man as an example to be studiously avoided by every right-minded man.

It has not been possible to unearth any of the minutiae of Bakewell's practice, yet his methods could not be wholly concealed from his neighbors, nor put beyond the reach of posterity. It is known that he set out to improve the quality of both the mutton and fleece and that he did improve both, while at the same time, making vast advances in the great qualities of early maturity and rapid fattening at any age; in so much as that the Deshley sheep, so pre-eminent in the life time of Blakewell, are still deemed the quickest feeders and consequently the most economical consumers of food of all breeds. They had, however, acquired a delicacy of constitution, as Youatt expressed it, "entirely inconsistent with common management." It is known that Blakewell rejected animals of great size; that is to say, much above the average of their race, both in cattle and sheep. In this we think as much as in anything else did he display that sagacity and skill for which he became so eminent. It is known that high feeding and forcing from birth to full maturity, was a cardinal point in his practice, and that he carried the principle of breeding "in and in" to the farthest extreme. In this manner he produced both cattle and sheep, carrying the heaviest possible weight of flesh on the prime point, the carcass, and that flesh of the finest possible flavor and quality. When we consider the numerous points aimed at in the practice of Bakewell, the complete success he attained at all points must be attributed to very great talent and capacity. Since Bakewell specialists have surpassed what was accomplished by

him in certain points of excellence, but taking all his results together two men only have in any degree approached to equal attainments, viz, Thomas Bates, of England, and Abram Renick, of Kentucky.

The Leicester sheep are smaller than Cotswolds, and their forms are less robust. The fleece is at once finer and shorter, and consequently of less weight. They are smaller in bone and thicker in flesh, and the flesh is better "marked" than that of other long-wooled sorts. Outside of the Down breeds they are the best mutton sheep extant. They are a little high on the leg, at least the imported specimens examined by the writer exhibit that defect. They are hornless, with white face and fleeces, and peculiarly level backs, being very near a right line from base of skull to root of tail.

This is a sheep for rich pastures and high feeding, and it would be simple folly to turn them out to rustle on scant pastures, with scant shelter or none. For depasturing such semi-wild sheep ranges no worse sheep than the Leicester could be thought of. They could not be kept alive under such management. Youatt states that an attempt to stock mountain pastures with them, without carrying them out of sight of their native pastures, resulted practically in extermination. We greatly doubt if the breed has a useful place in American sheep husbandry. Even for grading purposes there are, we think, numerous hardier and more prolific sorts.

The sketches we have now given of some of the leading improved breeds of English sheep are sufficient to show how many good and distinct breeds, breeding perfectly true to type, have been produced in the small space of a few English counties. We have now prepared the way for some remarks on the improvement of American sheep.

CREMATION CLOSETS.

The disposition of sewage is one of the greatest problems of sanitary science. It is also a question of economic science in connection with the maintenance of the fertility of the national domain. The food residue ought to go back upon the soil whence the food supply is drawn. In this country the sewerage of great cities, and, in fact, of all urban population, goes to waste; and the whole food supply of this prodigious number of people is a drain upon the soil producing it. America is, besides, a very large exporter of food. It is apparent that the depletion of our soil is drastic and almost universal. At present no profit is obtainable by city communities by any plan of agricultural utilization of sewage. And considerations affecting posterity will not induce them to undergo any expense in its utilization. If it goes to waste, it is at the same time necessarily a menace to the public health. It is at the same time certain to prove at many times and places a nuisance. A cremation closet does more to prevent nuisance than any plan yet proposed. Moreover the phosphate is largely preserved. Of course the nitrogenous matter is destroyed by the combustion, and all disease germs conveyed by solid excreta are likewise destroyed by burning. The liquid may carry into the sewers disease germs, but the liability is not great.

The solid and liquid excreta are thrown upon an iron grating; the liquid goes off in pipes to the sewer and the solid remains on the grating. By means of a ventilating pipe, with a lamp under the curve, a

down draught of air is maintained, and nuisance very completely prevented. A furnace is arranged to which there is easy access, and a fire kindled in it thoroughly cremates the solids, and the residue reduced to ashes is turned into a hod and removed.

The B. & O. railroad has adopted this closet for depots, and finds it highly satisfactory where water closets were a nuisance in spite of all possible precaution. These closets are also adapted for service in private houses and in the country. Of course the cremated ashes contains phosphate and other mineral matter in a form useful in agriculture, and in no way more unpleasant or unsafe to handle than ordinary ashes.

This system is theoretically less perfect than the Stamford patent carbon system in which the excreta are deodorized by finely powdered charcoal and subjected to destructive distillation in iron retorts, which reduces the nitrogen to ammonia, which is condensed and preserved in passing through acid phosphate. The phosphates remaining in the retort with the carbon. This system is theoretically subject to no criticism, as it destroys everything dangerous and saves everything of value. Nor is the expense of operating the system very serious, but to put it into practice in old towns would involve expensive arrangements in taking out water closets and putting in the carbon closets. The deodorization of the contents of the boxes is absolute, and the cremation in retorts destroys the organic matter, except the carbonized residue, which, with the phosphates of the excreta contained, is passed through the closets a second and third time, when it is sacked and sold as a fertilizer. The acid phosphate is converted into ammoniated superphosphate, and also sold to farmers. For country houses the dry system and movable boxes has proven the best in the present state of the question; but it seems very likely that the cremation closet may prove an advance on that plan, as no doubt it will for summer hotels and watering places, schools, colleges, and similar establishments. If it proves practicable for camps, as of armies in the field, its sanitary value would be very great. In our great civil war "sinks" annihilated more soldiers than powder and ball.

HOW TO KEEP YOUNG MEN ON THE FARM.

We hear very much of the best ways and means to keep the young men on the farms. In order to do this many things are needed. We mention, first in order and importance, to cause them to respect the calling of their fathers, by understanding that it is not a mere handicraft, but that among intellectual pursuits it is the most intellectual; among sciences it is the chief science; among learned professions it is the most learned of all; and, finally, that among the occupations of men none is more ancient, or illustrious, or honorable. In the second place, in order to keep young men on the farm it is necessary that the Government shall lift from the patient shoulders of agriculture some of the grossly unjust and unequal burdens it has imposed upon them wrongfully and in defiance of the fundamental principles of its own organic law. Perhaps we should better say it is necessary that agriculture shall claim proper recognition at the hands of all other classes. It must both assert and defend and do what is necessary to maintain and establish its

right in these premises. It must have its full representation among the representatives of the people, and it must exercise that influence which of a right ought to belong to it; not merely in the selection of candidates for office, but in the intelligent discussion and right decision of all great public questions. When these things are done, as they should be done, farming will pay, agriculture will afford a safe and easier living than any other pursuit or profession, in which case the young men who adopt it will love it and take pride in it, and no earthly force can divorce them from it. Lastly, the farm must be made a home. Modern conveniences and labor-saving or labor-lightening machines and devices must be brought into use. The home must be adorned in simple, good taste, and the landscape beautified. All things about and around the farm and home must conspire to suggest the beautiful, the good, and the true.

THE SUB-TREASURY PLAN.

The News and Observer (Raleigh, N. C.) brings to light an incident in colonial history which goes to show that the founders of the commonwealth of North Carolina were capable of devising a plan of relief from money famine, as well as from monarchy:

Referring to the warehouse proposition of the Farmers Alliance, called the sub-treasury plan, it may not be uninteresting to recall that we, here in North Carolina, had a similar arrangement in colonial times. 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. Recalling this system in use among us more than a century ago, it is not devoid of interest to observe how similar causes have led to a revival of the idea, which is now sought to be applied to the whole country, although then restricted to this colony alone. There seems to be "nothing new under the sun."

The Investor's Guide (Scotland, S. Dak.) has feelings: Prohibition, infidelity and universal suffrage will push South Dakota hellwards faster than all the blizzards and dry winds of the past.

Bonds, Premiums and Bank Contraction.
BY HON. H. F. SIMRALL, OF MISSISSIPPI.

In former papers published in your valuable journal, the writer attempted an analysis in part of the financial legislation of Congress, with a view of determining its effects on the business and industries of the country. The conclusion was that the line of policy pursued by Congress was the most potent of all the factors that operated to bring about the condition so much and so justly complained of by the producing classes. That more than all else it had contributed to draw to the great cities the largest share of the annual gains of production; to concentrate moneyed capital in the few; to foster and encourage speculation, and to give to the very rich a power and control over the money and value of the country, hurtful to the even and regular flow of the trade and commerce, and that to an extent which menaces the general weal.

I propose in this paper to bring before your readers another phase of this legislation not heretofore specially considered—barely, indeed, hinted at.

In this investigation it is not worth while to go further back than 1869, in that year and the five years immediately following will be found the series of measures to which can be traced the causation which has depressed values, cheapened prices and increased so largely the burden of the tax-payers.

In 1869 much the largest portion of the interest-bearing national debt was represented by the five-twenty 6 per cent bonds then approaching maturity, which would fall due in 1873 and 1874.

At the session of Congress of 1869, the absorbing subject was the question of refunding the national debt. Two views were presented, each of which had able and zealous advocates. One was to place the interest-bearing debt and the legal-tender notes on a coin basis; issue a new series of bonds, into which the 5 and 6 per cents could be converted, at the option of the holders, and also offer them for sale for coin, and apply the proceeds to take up the old issue. A part of the plan was to retire altogether the greenbacks as soon as possible. This could be speedily brought about by cancellation, as they might be paid into the Treasury in the ordinary course of business, and by redemption in coin.

The opposing view was not to change the character of the public debt, as respects the sort of money in which it was solvable, but to leave the bond-holders on the same equal footing of other public creditors. The former view prevailed, and was embodied in an act "to strengthen the public credit" of the 18th of March, 1869, which solemnly pledged the faith of the United States to discharge all of its interest-bearing obligations and the greenbacks in coin; and further, as already stated, to retire the greenbacks altogether from circulation. A further provision was to the effect that the redemption of bonds not due should be suspended until greenbacks had attained the par of coin; or bonds bearing a less rate of interest than those proposed to be redeemed should be sold at par for coin.

Less than a year after the date of this law Congress passed the refunding act, directing the Secretary of the Treasury to place on the market bonds to the amount of one thousand five hundred millions for sale at par for coin; two-thirds at 4 per cent interest

for thirty years and the other third at $4\frac{1}{2}$ and 5 per cent interest, to run for ten and fifteen years, principal and interest solvable in coin. The holders of the 5 and 6 per cent bonds had the option of changing them for the new issue.

This legislation was greatly to the advantage of the holders of the national securities. The bonds as well as the greenbacks rapidly pushed up to the par of coin, overcoming a depreciation of 80 per cent, and appreciating that much the worth of the bonds.

The wisdom and morality of adding so much by the fiat of the law, to the wealth of those who happened to be owners of this species of property may well be doubted. No well informed person, in the light of history subsequent to the inauguration of these measures, doubts that a heavily increased burden has been laid on the shoulders of the tax-payers, and that their strength to bear it, has been from year to year diminishing.

This financial scheme contemplated and made necessary an easy resumption of specie payments. The retirement of the greenbacks would diminish the circulation nearly \$450,000,000. The country would be left entirely dependent on the notes of National banks, reinforced by such supplies of gold and silver as could be availed of.

The general bank act was so amended as to encourage those institutions to increase their circulation. The provision in the original law apportioning the capital and organization of banks among the States and territories, was abolished. They were permitted to enlarge their circulation \$50,000,000. Instead of coming to the rescue of a depleting, shrinking currency to supply in part the withdrawal of greenbacks they have been annually reducing their circulations. For the last ten years the ratio of reduction has been \$11,000,000, and for the last fiscal year, according to the report of the comptroller of the currency and the President's message, the withdrawal and cancellation of their circulation was in excess of \$37,000,000. If the ratio of the last year be kept up, in a very few more, now less than ten, not a single bank note will in the hands of the people. I have already stated that the scheme of finance adopted by Congress in order to carry it into effect necessitated a speedy resumption of specie payments. (The time named was 1st January, 1879). Within eight years, the circulating medium was reduced from \$1,800,000,000 to \$800,000,000 in round numbers.

This shrinkage was followed by a rapid decline of values and prices, especially of agricultural commodities.

The interest-bearing obligations (the bonds) so soon as they were issued to the coin standard, rapidly appreciated to the par of the precious metals; nor did they abide long at that point. They moved upward with rapid strides until the 4 per cents reached a premium of $28\frac{1}{2}$ per cent.

For twelve or fifteen years the sinking fund (including, under several acts of Congress, 1 per cent of the custom receipts, the interest on all bonds purchased, and the annual surplus) has been applied to the purchase of bonds, at rates of premium ranging at an average of about 27 per cent. The annual reduction of the public debt has ranged from sixty to eighty millions of dollars during the period named.

Mr. Windom, in his report, estimates the sum applicable to that object for the current fiscal year at

\$92,000,000. If bonds can be purchased at 25 per cent premium, then ninety-two millions will retire only a fraction less than sixty millions of public debt. The 4 per cent bonds outstanding have about seventeen years yet to run—they will mature in 1907. It would be unfair and unjust to impeach the wisdom and statesmanship of the Congress which passed the refunding act of 1870 by imputing to them a purpose or design to so adjust the debt as that the bond-owners would reap not only the interest earned and principal, but in addition thereto the premium of 25 or any other per cent for redemption before maturing. The sinking fund, setting apart a portion of the revenue annually for that object, had been created long before the passage of the refunding act.

It is the absolute duty of the Secretary of the Treasury to devote that fund to liquidation at stated periods, during each year, as the fund comes into the Treasury.

He has no discretion in the matter. He is in the stock market monthly as a buyer, regardless of the rate of premiums.

This appreciation of the bonds merits the most serious attention of the people in a two-fold aspect. First, the greatly increased cost of bond payment; and second, the influence it has had and continues to exert in reducing the circulation of the banks.

Between 1869 and 1879 \$270,000,000 was added to the value of the bonds by overcoming depreciation and rising to the par of gold. The current rate of premium has made a further addition to their value of not less than \$16,000,000. The two sums make the aggregate of \$486,000,000.

The rapid contraction of the currency, so cruel and disastrous to agriculture, brought about a serious decline in the products of that industry. While this shrinkage in the value of rural property and its commodities was going on investments in that sort of property became hazardous and were measurably neglected.

Bank presidents and directors are astute to study and discern their interests. In their selfishness they lose sight of the public character of the institutions they control, and adopt that policy which brings the largest dividends. They find that it is profitable to retire their circulation, reclaim the bonds on which it is predicated, and realize principal, interest, and premium.

The transaction is this: By a surrender of \$90 of their notes, they receive \$100 (principal of the bond), accrued interest and \$27 premium. It is the continued repetition of this process of returning the circulating notes to the treasury, redeeming the bonds, and selling them, that is rapidly depleting the currency.

Mr. Windom reports to Congress the total decrease for the year at \$37,486,139. In 1882, page 53 of report, the bank circulation was \$356,060,348. By the first of October, 1889, seven years, it had declined to \$199,779,011, a falling off in the seven years of \$156,281,337. And yet there were in existence on 31st of October, 1889, 3,319 national banks, "the greatest number," says the Secretary, "since the inauguration of the system," with a total capital of \$612,584,096; a surplus of \$197,394,761; undivided profits \$84,866,869. The deposits were \$1,950,935,161, loans and discounts \$1,805,729,739; an increase in these lines over any previous year. These loans

and discounts, enormous in amount as they are, were made in large part to gamblers in stocks and futures, to syndicates and speculators of every sort. With truth it may be said, little or none of it found its way directly to the relief of agriculture. The farmers, by the very terms of their constitution, are practically denied loans and discounts.

The national banking system has resulted in a disastrous failure. Instead of contributing its proper quota to our paper currency, they seem to be in league with and the staunch supporters of the moneyed capitalists, whose gains are made by manipulating the currency, squeezing the money market so as to speed to success some deal in bonds, stocks, grain, or cotton.

It is most noteworthy that the refunding act, contrary to the uniform habit of Congress in authorizing long loans, omitted to retain the option to take up non-matured bonds, as the condition of the treasury from year to year admitted. As the writer remembers, such option had been reserved in every previous instance of the issue of long date bonds.

Congress may have acted on the assumption that the clause of the act of 1869, already referred to, embraced in the Revised Statutes of the United States, section 6963, gave the privilege. The language of the statute is in the negative form. "None of the interest-bearing obligations not already due shall be redeemed or paid before maturity, unless at such times United States notes shall be convertible into coin."

The enactment of this statute in the revised code in 1874, with a verbal obligation making it applicable to all obligations then outstanding or thereafter created, imposed on the United States the permanent obligation not to redeem non-due bonds, unless bonds at a lower rate of interest than the bonds proposed to be redeemed can be sold at par in coin. When that contingency arises the right to redeem accrues. Would there be any violation of good faith and morality in view of the solemn declaration of the statute just quoted, for Congress at its present session to pass the further declaratory act that "the 4 per cent bonds having advanced in value above the par of gold, and that a cheaper bond can be sold at the par of coin, that, therefore, the United States will redeem, according to the ability of the Treasury, non-due bonds, principal and interest, in coin, and that the Secretary of the Treasury is hereby directed to publish notice, etc., that he will redeem monthly a named amount, according to number and dates, beginning with those last issued, and that sixty days after notice thus given interest shall cease on the bonds specified?"

Such a statute is within the spirit and intendment of the act for "strengthening the public credit," would be equitable and just, and is imperatively demanded by the depressed conditions of those classes upon whom rests the heaviest weight of taxation.

Does the Administration, or the administration that may come into power, propose for the seventeen years that the bonds have yet to run, to pay 25, 23, or any other rate of premium for their redemption; or will it be the policy to suspend the payment until the bonds become due; or will Congress come to the immediate relief of the country and enact a declaratory law to the effect just stated?

For a quarter of a century the fostering care of Congress, whether intended or not, has been unceas-

ingly lavished on bond and bank stock owners. Fertilizing laws, whether inspired or not for that purpose, have from time to time been supplied to make those investments grow and prosper. It is high time that our national legislature should take into most serious consideration the needs of that great body of the population which produces wealth. If the national bank system cannot be thoroughly and radically remodeled, it ought to be abolished and something better substituted in its place. More than \$100,000,000 legal-tender greenbacks were canceled to make room for bank notes, but instead of occupying the vacuum the banks have been annually reducing their circulation.

The Good the Alliance has Done.

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

Many members and ex-members have asked the question, "What good has the Alliance done?" and no doubt hundreds would say that it has done no good. Such would be the answer of only the unthinking. In speaking of the Alliance I do not mean specifically the organization known by that name, but include all organizations among farmers in which the members ally themselves together for the purpose of mutual instruction, mutual financial benefit, or for social purposes. * * * * *

Though we have been benefited wonderfully, our benefits have been more of knowledge than practice. We have learned where the shoe pinches, and how it pinches, but we have not taken the shoe off, and we can not hope to take it off unless we make a united and concerted effort. There is much yet unlearned of the causes, and we need the brain of every laborer to help find them. Then we will need the help of every man whose head wears Adam's mark to help us to have this law, a law of liberty, truly. There is but little real antagonism of interest between the learned professions, the mercantile world, and the farmers and laborers. In this land of ours a law that will oppress me to-day, in the changes of life may oppress you to-morrow. The merchant may be a prosperous man to-day and a tramp to-morrow. His family may roll in wealth to-day and his sons be farm laborers next week. While laws that are just to all, may not be much assistance in creating millionaires in a decade, they may help keep millionaires' sons and daughters from being oppressed unjustly when the tide of fortune turns. There are men foolish enough to want an equal distribution of the wealth of this country, but you will not find many of them foremost in the ranks of any farmers' organization. What we want distributed equally to all men, "regardless of race, color, or previous condition of servitude," is the opportunity for the pursuit of happiness. Some men, who do not look below the surface, will say, "Why, you have that now; you can be a millionaire now if you have the money," or "you can be a banker now if you have the spundulix; the chance is open to you." Yes, this is true, the chance is open to me. I could enjoy all the privileges of either class if I have the cash, and there is no law prohibiting me from trying; but it is the privileges of the classes I am objecting to, and not the classes themselves. It is the privileges of the ins that makes it so easy for them to stay in and so hard for the outs to get in. If the classes had less privileges and the in-

dividuals more it would be better for the country, and it can be brought about only by the united effort of the unprivileged classes. So long as they remain divided in sentiment and undisciplined in purpose, so long the workingmen will be the outs and the privileged classes the ins. Organization has taught us the weak places in human nature. It is generally believed in my section that the average composition of the genus homo is one part man and three parts dog. This is why there are so many falling away from the organization, for it is generally known that dogs are not gregarious, and that when many of them are confined together there is generally a considerable amount of snarling, if not some fighting. This, of course, accounts for so many who say the Alliance has done them no good; these are no doubt the ones who got bitten and failed to get a bone.

Taking a surface view of the Alliance, many who have not studied it might conclude that it was going into a decline; but I can assure its friends that they need not be looking for cards to its funeral. "It sleepeth" only, and will awaken like Sampson and turn upon its enemies. The seeds that have been falling for the last five years have fallen on some fertile soil and are taking deep root, and they will develop into plants of liberty that will so occupy the ground as to overshadow and choke out the noxious weeds of ignorance, lethargy, selfishness, and humble submission. There are true patriots alive to-day on American soil who are as true friends of true liberty as ever were Patrick Henry, Thomas Jefferson, or Ben Franklin, and their teachings are going out over the land and arousing the manhood that remains in the posterity of the fathers of this free land. The Alliance has brought careless and uneducated men together under the same roof with men who have studied the history of dead nations and can read the handwriting on the wall, and these have assimilated, and now through a labor press, established and maintained by them together, are sending out into the world facts and theories that will yet bring gladness to the toiler and hope to the heart of the father of poor children.

The Alliance has done what the sword, the press, and the pulpit have failed to do, and if it had died without accomplishing more, it might have claimed a monument with this inscription "I am mightier than all," for after twenty-four years of political reconstruction, forty years of philanthropy, and a hundred years of preaching, it was left to the Alliance to blot out the Mason and Dixon line—that imaginary line on which the bloody shirt was hung every four years—and to unite the working, mortgage-hunted farmer of the Northwest with the half Ku-Klux and half desperado cotton-planter of the South. The horns of the Ku-Klux were knocked off the cotton-planter, and the shirt that has been waved so faithfully has been torn up with Mason and Dixon's line and cast into the Mississippi, and by this time no doubt are in the maw of some cat-fish, or making a nest for some mud-turtle of a politician who will have to crawl into his shell when he sees the result of the next election.

One of the last, if not greatest, goods that I shall name to-night that the Alliance has done is, it has inspired the masses with renewed hope, and if our members would each become a missionary, we could soon rally a stronger array than ever, for we have more to rally with and more yet to hear from.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 5.

THE NATIONAL ECONOMIST

SATURDAY, APRIL 19, 1890.

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THE NATIONAL ECONOMIST.

The Sub-Treasury.

The Faulkner county Wheel (Conway, Ark.) publishes communication from Oliver S. Jones, which is worthy of notice. It is given entire:

The Farmers Alliance and Industrial Union seem to be almost a unit on this important question, and why should they not be absolutely united upon it? The first thing to be considered about the Sub-Treasury plan is, is it just? Is there any class of citizens in the republic who would be injured by its being put into practical operation? If so is the business of that class in accord with the great principle of equal and exact justice to all and special privileges to none? The charge made by the enemies of the plan that it will be class legislation if enacted into law, is true in a sense, and it is useless to deny it. But it has the merit of applying to an almighty large class, embracing as it does, all the wealth-producers of the republic in its influence. Now when we take into consideration the fact that every other class is absolutely dependent upon the class to be benefited by this plan; that the Government must receive all her revenue primarily and ultimately from this class, and that the prosperity and success of this class insure a general prosperity of the whole country, can it be reasonably urged that it would be unjust? On the contrary, is it not demanded by every principle of justice? If it will injure to the benefit of the men, women and children who produce all the wealth of the country, surely no man, who has a proper conception of the rights of others, will object to it as being unjust. The great disideratum is a flexible, and at the same time, an adequate volume of circulating money. The farmers are beginning to understand this, and all the sneers of the old party bosses will not turn them from their purpose. The sub-treasury plan will put the money in circulation just when it is needed and just where it is needed, and then it will absorb or take up any redundancy just at the right time and at the right place. Under our present financial system we have expansion just at the wrong time for the wealth-producer, and contraction just at the right time for the money shark.

West Virginia to be Organized.

Each Farmers Alliance in Randolph County, W. Va., will meet on Saturday, April 20, 1890, for the purpose of electing delegates, to meet at Elkins on the 3d day of May, 1890, at 9 A. M. prompt, for the purpose of organizing a County Alliance. Each Farmers Alliance is entitled to one delegate for every ten members or fraction thereof, i. e., if you gave ten members you are entitled one delegate, if eleven members two delegates, etc. Providing you have less than ten you are entitled to two delegates at any rate.

JAMES COBERLY,
County Organizer for Randolph Co.

Lecturer Ben Terrell's Appointments.

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

Indiana, 18th April to 2d May.
Wisconsin, 6th May to 20th May.
Dakota, 23d May to 10th June.
Nebraska, 12th June to 24th June.
Colorado, 26th June to 10th July.
Kansas, 12th July to 19th July.
Indian Territory, 22d July to 30th July.
Missouri, 2d August to 16th August.

INDIANA.

Bedford, 1 o'clock, April 21.
Shoals, 1 o'clock, April 23.
Bloomfield, 1 o'clock, April 25.
Anderson, 1 o'clock, April 28.
Tipton, 1 o'clock, April 30.
Logansport, 1 o'clock, May 2.

INDIAN TERRITORY.

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

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B. H. Clover, Vice President, Kansas.
J. H. Turner, Secretary, Georgia.
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Legislative Committee—C. W. Macune and A. Wardall.

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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., APRIL 19, 1890.

NO. 5.

A WORD TO THE PARTY ORGANS.

The National Democrat, a paper recently started in Washington to preach orthodox partyism to the Democracy, and incidentally to boom certain policies and candidates, has seen fit to promulgate its views as follows:

A WORD TO THE FARMERS ALLIANCES.

We hope the farmers of Minnesota, who are formally demanding the abolition of the Supreme Court because of the railroad decision last week, will make an effort to control their emotions. The communism that is cropping out in so many organizations of farmers is pardonable, because it is the natural result of the Republican teaching in which so many of these farmers have been steeped for thirty years. They have been brought up to be robbed for the benefit of other people, and now it is not singular if they want other people robbed for their benefit; the power of the Government has been used to make other people rich; why should it not be used to make the farmers rich? It is the most natural thing in the world that a lot of Republican farmers in a Republican State should get together and demand that all railroads should be confiscated and presented to them; that courts that defend the rights of property should be abolished; that the wage-workers of the country should be taxed on the simplest food for the benefit of the farmer; that the public credit should be ruined by cheating the public creditor; that general fraud should be legalized by depreciating the currency. It is not strange that men in Republican States like Kansas and Minnesota should demand these things; the class legislation of the Republican party has taught them to do it. But all the same, it is a great pity, and the demands are not much above those made at a convention of Chicago anarchists. And to grant these demands, like granting the demands of the anarchists, would be jumping out of the frying pan into the fire. The only remedy for the real evils complained of is the commonplace and common sense remedy of restoring government to the hands of the Democratic party, the levying of taxes and the enforcement of laws for no locality or class, but for the whole country and all the people; the reduction of taxation to the limit of the needs of a government economically administered, and for public purposes only, and the interference of the General Government with the individual citizen as little as possible. This is not quite so picturesque as the class legislation, disguised as socialism, which constitutes the Republican programme. But it is a good deal better to take exercise and eat plain food and keep healthy than it is to destroy one's stomach and shatter one's nerves and then try to get cured by the doctors.

But for the caption to the article, it is doubtful if it had been worthy of even casual notice. When a point is made, however, of singling out the Alliance as a target, the question naturally arises by what right? There is nothing in the article itself to support the caption, but the caption is there, with all the significance of bold type. Therefore to the Alliance the Democrat should be held accountable, for whatever is false or unfair to any body of farmers in the diatribe is false and unfair to the Alliance. As to the charge of communism, the reply of the president of the Georgia State Alliance to the charge of socialism is most appropriate: Who charges socialism (or com-

munism) against the Farmers Alliance lies. Who charges any intent against the organization to do ought, or to favor ought, which is a lessening one title of the true dignity and just power of the Government, makes accusation in the face of facts of which he has no right to be ignorant, and hence lies inex-
cusably, no matter how ignorantly. If writers for the press will not be fair, there should be censure open as their falsehoods.

The fact is the farmers of Kansas and Minnesota threaten to lay aside the party collar, and investigation has convinced them that there are facts behind the Democratic accusation that the Republicans have prejudged causes at issue in more than one case by adding to the panel of justices men whose views were already known. No anarchist can possibly lay to the Supreme Court greater crimes than Democratic orators attribute in every campaign. And language fails to furnish a vehicle for a charge of greater venality than is attached by Republicans to that part of the record which gives the history of the tribunal under dominance of what is termed the "old slave power." It is worthy of note that while the Democratic papers see signs of decadence in public sentiment in Republican States, Republican papers are certain that there is rottenness in the Democratic parts of the country which portend unutterable disaster to humanity if not checked by a strong hand. It is, under false testimony such as this, possible for the henchmen of the parties to agree that nothing could be better than the rule of the one party, unless it be the rule of the other party. And pursuant to this conception, it is easy for the two parties to agree upon a policy which responds to the demand of the people for justice by greater injustice; which answers the prayer of the citizen for less taxes with greater taxation; which recognizes the cry of the producer for more money on which to do business with a further contraction of the circulating medium. When the people tell of the enormous increase in their burdens by changing the contract of Government in its bonds, they are told they would ruin public credit by cheating the public creditor. When they tell that it now requires three times the volume of products to pay what was contracted, and demand an equalization by returning to the status which equity indorses, they are taunted with the desire to legalize fraud by depreciating the currency.

THE VIRGINIA MEAT INSPECTION LAW.

It is announced that Judge R. W. Hughes has pronounced against the constitutionality of the meat inspection law, passed at the late session of the legislature of Virginia. The decision simply passes the case on to the Supreme Court of the United States for final decision, and from a practical standpoint the opinion and the decision of Judge Hughes are of little importance, for whichever way he decided the case and whatever he said about the case, simply amounted to his way of sending it up to the court of last resort. Undoubtedly, Judge Hughes is both an able and an upright judge. This ought to be taken as a matter of course, but unhappily in these days it is not a matter of course that a judge of a court of the United States is either able or upright. It is not, therefore, unmeaning language which is applied to Judge Hughes; he is undoubtedly able and upright. But an able and upright judge may be in error; or he may be right, and the court of last resort may go wrong and reverse him. The writer has doubted the expediency of this law, and still doubts it, but as a question of right he has very great doubt whether Judge

Hughes be not in error. The right to pass this law and enforce it arises out of the police power of the States. It is enacted in pursuance of the right of the State, its bounden duty to protect the public health, by prohibition of the sale of unsound meat. This is a clear right and one of the principal attributes and powers of the small degree of reserved sovereignty left the States. A decision of this case hostile to this law will carry with it important bearings upon questions of State and interstate quarantine. If the State of Virginia can establish quarantine and provide for inspection of live cattle coming from Chicago, we think Judge Hughes will find it difficult to show why the carcass of the same animals dead may not be subjected to the same inspection. The inspection of the ox alive is to protect the health of other cattle; the inspection of the beef dead is to protect the health of the people. How much, then, is an ox better than a man? The ground of Judge Hughes' opinion and decision is that he thinks the law was not necessary, but the question of expediency and necessity are legislative questions. Is a Federal judge to set aside a tax levied by a State as often as he thinks it too high? On the other hand, is a Federal judge to construe the motives of a State legislature and to declare them to have been corrupt and their enactments based upon grounds false in themselves and intended to deceive? Judge Hughes is an able lawyer, and this writer is not a lawyer, but the grounds of judicial opinion and decision ought to be as intelligible by a layman as by anybody else. The decision of the judge is one thing, his opinion another, and in fact his opinion is often wrong and

his decision right; so very far is law from being an exact science; so often do judges decide, as do jurors, questions upon their views of the merits, rather than upon the legal question involved. The opinion of the judge is in fact little else than an appeal to public opinion or to professional opinion in support of the decision, else why do the minority of multiple courts file dissenting opinions at all? This case is of much more importance than appears upon the face of it. It involves far reaching consequences. When greedy cormorants like Armour get full control of a State for their purposes, they will do several things; the first will be to destroy competition by low prices; then to charge monopoly prices, and to furnish an inferior and, possibly, dangerous article. In striking down a State tax upon a necessary article of universal consumption, Judge Hughes will find that he has paved the way for a monopoly tax by a greedy ghoul who is an alien; nor need he doubt that the little finger of the monopolist will be thicker than the loin of the State. The State inspection tax in the case may be unreasonable, but it is likewise unreasonable that an alien and a monopolist shall send his creatures to Virginia to strangle one of the leading industries of her people.

A POSTAL CURRENCY.

The people are loudly demanding a return to the old postal currency system which was taken away in order to make room for specie resumption. It is the fractional currency of former years that the people want and insist upon having. It was the best, most convenient and least objectionable of all the small currency this country ever had. An effort is being made to restore it to its old place, but the Postmaster-General opposes the attempt. There seems to be a unanimous effort on the part of the administration and Congress to disapprove of everything the people want. Each newspaper office is loaded up with stamps in all sorts of condition, which by a system of postal currency would be entirely avoided. Something ought to be done to accommodate the people with something to use in the place of postage stamps. Last year the fees received by Government for postal notes and orders amounted to \$1,286,813,90. At least one-half of this might have been saved had there been a sensible kind of small currency in use. Every newspaper should join with the farmers to force through Congress a measure for relief.

The Progressive Farmer (Mt. Vernon, Ill.) says:

That the people are in favor of the free coinage of silver can not be doubted. Their expressions on the subject have been too frequent and emphatic to be misunderstood. The people should know now and all the time that the Windom silver bill does not secure this. Should it become a law the silver question will be in a worse condition than it is now. It repeals the coinage law, and no more silver will be coined, and this is just about the mill in Windom's cocoa nut. Its leading purpose is to shut off the silver coinage. This done, the silver question is effectively in the hands of the gold bugs, and can be solved at their leisure. We think it would be well for every farmer to write a letter or a postal card against the Windom silver bill.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. II.

The whole report of the Secretary was a plea for less money, and no one at that time knew as well as he the baneful conditions such a policy would produce. Taken as a whole it is the most remarkable document that has been sent out from the Treasury Department since the days of Hamilton; not because of its soundness or statesmanship, but the brazen assumption with which he brings together every conceivable argument, even the most absurd, to make plain his position that less money will certainly benefit the people. He says "the people are now comparatively free from debt. * * * The expansion has now reached such a point as to be oppressive to a large portion of the people, while at the same time it is diminishing labor and is becoming subversive of good morals. * * * The remedy, and the only remedy within the control of Congress, is, in the opinion of the Secretary, to be found in the reduction of the currency."

Here is an acknowledgment that in 1865 the people were to a large extent out of debt and able to live without incessant toil. Such conditions always obtain when money is robbed of its "power to oppress." Such conditions should and would exist at the present time had it not been for the financial policy inaugurated by Mr. McCulloch. He feared for the morality of the people if they were to continue long in ease and plenty. Such paternal solicitude is indeed rarely met with, especially under these circumstances. In order to preserve the morals of the country the people must be compelled to labor more, and for the purpose of forcing them to do so the money of the nation must be contracted. These are the logical deductions drawn from the Secretary's arguments, and have proven true beyond any question. Speaking of the loans, enormous though they were, he says: "The public debt of the United States represents a portion of the accumulated wealth of the country. While a debt of the nation it has become the capital of the citizen. It is a practical evidence of the great resources of the country that so large an amount of their wealth could be loaned by the people to the Government without embarrassing industrial pursuits. Notwithstanding, more than two thousand millions of dollars of the means of the people of the United States have been thus loaned, no branch of industry has suffered by the investment." Here is a statement of extraordinary interest to the present generation. He admits here that not one dollar of this vast public debt was owned abroad, and that the people had prospered during the time they loaned the Gov-

ernment this large amount. In order to relieve them from this prosperity, his policy took from the people this loan and turned as much as possible over to foreign investors, because it was not until after this date that a single bond was sold in Europe. The reasons for this prosperity were the same as that upon which all past prosperity was based and all future prosperity must depend—a sufficient amount of flexible currency.

At that time a large portion of the interest-bearing national debt was being used as a circulating medium among the people, and was therefore aiding business instead of retarding it, as it did the moment it was called from its beneficent labor and retired to the vaults of the bondholder. At that time (1865) the following interest bearing notes were in circulation as currency among the people:

Bonds, 6 per cent, due 1868.....	\$8,908,341
Bonds, 6 per cent, due 1867.....	9,415,250
Compound interest notes, due 1867 and 1868....	193,756,080
Seven-thirty Treasury notes, due 1867 and 1868.....	830,000,000
Temporary loan (ten days' notice) and certificates of indebtedness due 1866.....	205,489,061
Treasury notes, 5 per cent, due December, 1865	42,338,710
	1,289,907,442

The bill which passed April 12, 1866, upon the recommendations of this report of the Secretary of the Treasury, to the above amount of debt of the nation; which was at that time circulating freely among them as currency, and funded them into 6 per cent bonds. Let no one be deceived in regard to this fact. The proof is positive. Cut these figures out, and when you are asked to specify wherein contraction has taken place, show this as a beginning.

NOTWITHSTANDING the fact that labor and its products are and have been on the decline for the past 20 years, the salaries of Government officials, especially those near the top, are continually on the increase. There has not been a salary of this character reduced this session, while thousands have been increased. There is hardly a day but some committee reports in favor of creating a new office at a high salary or recommends an increase in the pay of those already in official position. Wheat at 40 cents and an increase of an already sufficient salary, do not exactly look well in the same list. Have the farmers noticed this, though?

The Southern Alliance Farmer (Atlanta, Ga.) is all right, a good organ in one of the best States in the Alliance galaxy, but fails to give credit sometimes. It declares most truly:

A railroad policy which will distribute the advantages of transportation throughout the State and to the whole people should certainly have the support of every fair-minded man. This plan, if carried out, will enable the rural districts and country towns to hold what they have, and to regain at least a portion of the \$60,000,000 of wealth which has been taken from them and given to the cities in the last twenty years. This is competition in its true and original intent.

SENATOR PLUMB'S BILL.

Monday, April 14, Senator Plumb introduced a bill in the Senate, which is now in the hands of the Committee on Finance:

Be it enacted, etc., That the money required to be deposited with the Treasurer of the United States for the redemption of national-bank circulation by section 5222 of the Revised Statutes, and under section 4 of an act approved June 20, 1874, entitled "An act fixing the amount of United States notes, providing for a redistribution of the national-bank currency, and for other purposes," shall be covered into the Treasury and treated as funds available for the reduction of the public debt, and for the current expenditures of the Government. And all funds in the Treasury for the payment of matured debt and interest due and unpaid on the public debt shall be similarly treated, and hereafter no funds available for the reduction of the public debt or for the payment of current expenses above the sum of \$10,000,000 shall be retained in the Treasury: *Provided*, That this shall not be construed to permanently diminish the fund of \$100,000,000 now held for the redemption of Treasury notes.

It is proper to state that the proviso is wrong, in that it supports a very doubtful construction of law.

Mr. Plumb, in his remarks, concisely states:

Out of \$1,650,000,000 of money, all told, in this country, \$250,000,000 sometimes much more and sometimes a trifle less, are held in the Treasury of the United States. Of the remaining \$1,400,000,000 more than \$700,000,000 are held for the purposes of reserve by the different banks, private, State and national. Less than \$700,000,000 of money is available for manual delivery for the uses of the 65,000,000 people of the United States; only about \$10 per capita. This is all the money available for the purposes for which money, as contradistinguished from credit, is to-day used in the United States.

This is probably the first admission from such a source that there is really so little money in use by the people. It fails to take into account several important items which have diminished the volume and which will be treated hereafter by THE ECONOMIST, but the Senator "gets there" in a manner which shows that his eyes are being opened:

It is stated in the public prints that in pursuance of the policy of controlling the finances of the country the Secretary of the Treasury contracted the currency during the month of February over \$10,000,000, at the very time when every legitimate interest was craving an enlargement rather than a diminution of currency supply. I believe that this retention of money in the Treasury and that this assumption on the part of the Secretary to do that which might once have been proper, but which now constitutes a menace to the business of this country, ought to be prohibited by law. A Senator who sits in front of me has asked me for what nominal purpose the \$250,000,000 in the Treasury are held. One hundred million dollars is held in assumed obedience to the law of 1882, which authorizes the retention of a sum of money for the redemption of the legal-tender notes—the greenbacks. Some sixty-odd million dollars is held for the redemption of national bank notes; that is to say, the notes of banks which have either gone out of business wholly or which are retiring a portion of their circulation. Between \$5,000,000 and \$6,000,000 is held for the purpose of the redemption of such notes of national banks as from time to time come into the Treasury and are found on inspection to be unfit for further circulation. About \$7,000,000, as I now recall it, are held for the purpose of the payment of interest on coupons which have not been presented, and on such portions of the debt as has from time to time matured, but the evidences of which have not been presented to the Treasury for payment. Some of it probably never will be presented. It is not certain for what purpose the remainder is held. I have given all possible scrutiny to the statement of the Treasurer, and I cannot definitely tell. The confusion

of subjects and of amounts is such that I think it is impossible for any one to tell precisely the purpose in view in the retention of about \$75,000,000. But it is there, because the statement shows the net balance to be about \$250,000,000.

Mr. Plumb justly concludes that this sum is held from circulation in the Treasury "for no useful purpose," of which fact there can be no dispute. Attention is called to the fact that about \$40,000,000 of the national bank currency was retired last year. Here the Senator fails to note what is a fact, that the exportation of coin more than equaled the coinage, and that the metallic currency really diminished in volume within the year.

In making application of the facts stated, what a world of force is given to the economic truth that the volume of money makes the price. Here is the statement that nearly one-third of the currency is withdrawn from use by the Government, and all over the country is a wail of poverty produced by falling prices. The decline of nearly 30 per cent in the value of products, is clearly deducible from the facts stated. The insufficiency of silver coinage is plain, as the entire supply of money from that source does not exceed the amount subject to manipulation by the banks and those interested in contraction. The Senator truly states the case when he declares "we have had, to meet that, the coinage of silver to the amount of \$2,000,000 per month and the coinage of gold, but the experience of the country abundantly shows that we need not only these two agencies, but we need an amount of paper money equal to the maximum which has ever been outstanding."

Such statements and admissions, from a recognized leader in the dominant party, raise the hope that the money famine will not be permitted to much longer exhaust the vital energies of the people. But, shade of Peter Cooper, is the truth dawning upon the "House of Lords?"

THE ALLIANCE PLOW.

The works of the Virginia Alliance are being rebuilt at Iron Gate, Alleghany county, whither the factory was removed after the fire to get the benefit of better railroad facilities. The brethren in charge promise a plow as good as ever, and that is as good as the best chilled plow on the market, at a price below any heretofore fixed by competition.

THE number of inquiries received by Brother N. A. Dunning, at this office, regarding the National Alliance Aid Association, causes the hope that agents can be profitably employed in several of the States. Insurance, honestly conducted on the mutual plan, is the cheapest guarantee possible. This association is intended to operate at cost for members of the Alliance, and is worthy of investigation by all interested.

A Measure of Relief.

BY HON. A. J. STREETER, OF ILLINOIS.

What do farmers now most need? Answer—Better prices for what they have to sell; to the end that thousands now hanging by the ragged edge may pay their debts and save their homes. They need better prices a thousand times more than a reduction of the tariff on imported goods. There should, however, be a revision of the tariff and some reductions made, but such reductions, however wisely made, would not give farmers better prices for beef, nor pork, nor lard, nor butter, nor cheese, nor corn, nor wheat, nor oats, nor cotton.

If the farmer cannot obtain better prices for what he sells in a revision of the tariff, then what measure will reach that end?

Of all the measures now in sight and pending in Congress, with some reasonable hope of success, the bill for free coinage of silver is the best. This bill should be pushed to the front in every honorable way. This bill would materially increase the volume of money in circulation and make better prices for the farmers. Free coinage of silver is demanded by the united action of all the farm and labor organizations in the country and of the people generally. See proceedings and joint action of all labor organizations that convened in St. Louis last December. The bill for free coinage, or the Windom bill, with material amendments, will pass the House; but when it goes to the Senate, "then comes the tug of war." Then the bullion brokers, the associated banks, the mortgage and bondholders will put in their fine work.

They will smother, if possible, in some way this measure of relief for the oppressed people, or take the starch out of it by unfriendly amendments. It is my belief that Western Senators will vote right, with few exceptions, upon this measure. But Eastern Senators, who are under the shadow of Wall street, while they can plainly see better prices for farmers, and for products of labor generally in free coinage; still, they also see in that event that Eastern and English money would not buy so much of our corn, and cattle, and cotton for a dollar as it does now, and hence their opposition. Some of these will raise the hue and cry that free coinage of silver would mainly benefit the silver miners in the West, a comparatively small number of the people.

I have not a dollar invested in silver mines. But let us turn this assumption over and look at both sides of it. By a law passed by Congress in 1872, silver was demonetized; this act cut off the demand for silver bullion in the market. Its principal demand at that time was for coinage. The result was just what might be expected; the value of the miners' products fell in price 30 per cent. This loss fell upon the miners by this action of the Senate. The miners have endured this robbery and ate its bitter fruit since 1872 down to the present time. For eighteen long years have they endured this wrong and are still denied justice. No wonder the miners have joined hands with the Alliance, K. of L., and other organizations, in all of which they demand that this perfidy and wrong shall cease. Senators, can you "read the handwriting on the wall?" I envy not the feeble sense of justice that shall, in view of the facts, prompt Senators to say "this is a scheme to benefit

silver miners." Such talk makes me weary and to smile significantly at the man's dwarfish sense of justice that will prompt him to present such arguments.

Again, some Senators oppose the further coinage of silver because the silver in a dollar is not worth a dollar in its bullion value. Answer first. No man has yet been compelled to sell a lawful silver dollar for less than one hundred cents on this continent under the American flag, hence such complaint has no loss nor damage nor justice to sustain it. Second. The silver bullion in a dollar, at the time Senators voted to demonetize that metal, was worth one hundred cents, hence the depreciation that followed is the result of their own unjust act in depriving silver of its principal use and demand.

Here let me state a principle in "common sense law." No man has a right to plead the result of his own unjust act to justify himself in doing further injustice.

Senators did deprive the miners of 30 per cent of the value of their hard-earned products through the enactment of unjust law. And now, for them to plead the result of their unjust act as an excuse for them to further continue their injustice is a violation of the above principle in common sense law. It is adding insult to injury. Make the coinage of silver free, as it was when so stealthily demonetized—a simple act of justice—and we will see the price of silver go up, better prices for what the farmer sells, and prosperity will again smile upon every industry in all this broad land.

We have reason to know that the Senate, or a majority of it, is opposed to this measure; though I am glad to note the fact, and give many Senators credit for being honorable exceptions to the rule. As evidence that we do not misrepresent the majority, see what the Senate did with the free coinage bill that passed the House in 1878. This bill met with fierce opposition in the Senate: then it was manipulated and emasculated until instead of free coinage we had to accept of the pittance of two millions per month.

Well, what can we do? Unless something better is presented, I recommend the following, to the end that we may be ready to act promptly and with force: Organize a committee of the right men in every State. When the silver bill goes from the House to the Senate, let this committee move on to Washington in a body and storm the castle of the associated banks. Four to six representative fighting men from every State in the Union, all in concert for free coinage, would make it interesting there. The results of free coinage would be worth more to any one of the States than a thousand times the cost of sending such a committee. In many States the governor might be depended upon to appoint the right men; or, it would be proper to call a convention to select the committee men. The times are ripe for free coinage, and the people should rally around the measure. To stand idly by and see the Senate—"our useless"—"the American house of lords"—murder another House bill for free coinage as it did in 1878 is a crime. I do not mean to say that free coinage would be a full measure of relief, that it would restore a full measure of prosperity to the country, but that it is the relief measure nearest to hand, and would materially improve prices and make better times.

PREMIUM ON BONDS AND PUBLIC DEPOSITORIES.

In response to a letter of inquiry the following was received from the Secretary of the Treasury:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
WASHINGTON, D. C., March 29, 1890. ■

Mr. C. W. MACUNE,
National Economist Publishing Company,
Washington, D. C.

SIR: I have received your letter of the 27th instant asking to be informed what amount has been paid to date as premium on bonds purchased, on what date the purchase of bonds began, and when the Treasury Department commenced to deposit money with the banks as is practiced at the present time.

In reply you are informed that purchases of bonds by the Department began August 3, 1887; the amount paid as premium on bonds purchased to March 1, 1890, is \$42,065,633.69, and public moneys have been deposited with national bank depositaries continuously since 1864, "as at the present time," but the policy of increasing the number of depositaries and the amount deposited therewith, on account of the surplus, was adopted about October 8, 1887, and continued until April, 1888; since March 4, 1889, the policy has been to decrease the amount deposited with banks, full information concerning which is set forth in the annual report of the Secretary of the Treasury for 1889, copy inclosed, see page lxxiv.

Respectfully yours,

W. WINDOM, Secretary.

Referring to that portion of the report mentioned, the following extracts are given:

The monetary transactions of the Government have been conducted through the Treasurer of the United States, nine sub-treasurers, and two hundred and ninety-six national bank depositaries.

The amount of public moneys deposited with national banks on the 1st of January, 1887, was about \$20,000,000. Prior to that date, for a number of years, the average was considerably less. During the year 1887 the amount so deposited increased until, in October, it was \$31,767,478, and, in December, it had swollen to \$52,199,917. The highest point reached was in April, 1888, when the amount so deposited was \$61,921,294, since which time it has decreased until, on the 31st of October, 1889, it was \$47,495,479. There should be a further reduction at the earliest day practicable of at least \$30,000,000, leaving only such amounts as are necessary for the business transactions of the Government.

The national bank depositaries have been, and are, useful auxiliaries to the sub-treasury system, but the deposit of public funds therewith to an amount largely in excess of the needs of the public service is wholly unjustifiable. Such a policy is contrary to the spirit of the act of August 6, 1846, which contemplates a sub-treasury independent of the banks.

It necessarily involves temptation to favoritism of the most objectionable character.

It makes the Treasury more or less dependent upon the banks, on account of the difficult and delicate task of withdrawing the deposits, when wanted, without creating serious disturbance of financial conditions.

It involves the exercise of a most dangerous power by the Secretary of the Treasury, whereby he may, if so disposed, expand or contract the currency at will, and in the interest of certain favorites whom he may select.

It is grossly unjust to the Government to grant the free use of its money, while it pays to the very parties thus favored, 4 and 4½ per cent interest on its own bonds, which are pledged as security for the money thus received.

There seems to be no excuse for this policy, when the Treasury could use the same money in the purchase of bonds, and thereby return it to circulation and save a large part of the interest.

It is manifestly unfair to the people to give the banks the use of their money for nothing, while they are required, by the banks, to pay from 6 to 8 per cent interest for it.

Bad as these features of such a policy are, a more serious objection is found in the difficulty and danger encountered in the withdrawal of such excessive deposits. Money thus deposited goes at once into the channels of trade, and business is adjusted to the increased supply.

A sudden or injudicious withdrawal would be felt far more severely by the large class of business borrowers than by the banks. The latter are money lenders, and a stringency may only increase their rates and add to their profits; while the former, having based their business ventures upon the accommodations afforded by the banks, may be utterly ruined when such accommodations are suddenly withdrawn.

Another instance of such excessive deposits occurred in the administration of Jackson. On the 1st of November, 1836, the amount of Government funds deposited in banks was \$49,377,086.30. To dispose of this large sum the act of June 23, 1836, was passed, providing for the distribution of \$37,468,859.97 among the States. This of course made necessary a withdrawal from the banks, and in order to make such withdrawal as easy and safe as possible, it was provided that the money should be distributed in quarterly installments, commencing January 1, 1837. Three of the installments were paid, amounting to \$28,101,644.91, but just after the payment of the third, the depositary banks suspended, and the terrible financial crisis of 1837 followed.

A careful and conservative administration of our national finances should, however, seek to avoid such disturbance if possible.

Finding myself confronted with this inherited difficulty, and though thoroughly disapproving the policy which created it, I have, nevertheless, felt compelled to move with great caution, lest the cure of the evil might prove more detrimental to the public interests than the evil itself. It is my purpose, however, at the earliest moment deemed practicable, to commence the withdrawal of these funds in such limited amounts, and under such conditions, as will be least likely to injuriously affect the business interests of the country, and, unless Congress shall otherwise direct, to invest the money in the purchase of bonds, in case they can be obtained at a fair price.

If the banks which have bonds deposited to secure this money are inclined to reciprocate the favors they have received from the Government, by selling them to the Treasury at the liberal rates offered, the withdrawal will considerably increase rather than dimin-

ish the money in circulation, and relieve their borrowers from all danger and inconvenience.

It will be noticed that the Secretary not only believes, but proves beyond question that this manner of doing business is all wrong, and that his predecessor, Secretary Manning, committed a very grave error in making these deposits. Yet, within the last two months, in a published interview, this same Secretary said the money was "practically among the people." If this was an inherited wrong, and called for such severe condemnation, why has the present Secretary continued the same policy? It discloses a lack of sincerity entirely inconsistent with the important position which he occupies. He declares positively that the sudden withdrawal of less than \$40,000,000 from the channels of trade would produce wide-spread financial trouble, but rejects with scorn the proposition to add to the currency enough to obviate this difficulty.

An Appeal for Harmony.

BY JOSIAH M. ANTHONY, OF FREDERICKTOWN, MO.

I am pained to notice the thrusts made by journals, professedly our friends, at the action of our National organization which convened at St. Louis last December. It may be that measures were enacted there that were not the perfection of wisdom, yet there is a better way of adjusting matters. We as an organization are yet in our infancy, and if bad counsel prevail we will disintegrate and it were better that we never had an organization. The proper way is to educate the toiling masses in the economic measures which affect us as a people. Let our best and most discreet men visit our subordinate lodges in any State and have a free discussion on all topics calculated to better our condition; then send delegates to the county Unions; they in turn send delegates to the State Unions; likewise, they in turn send delegates to the National Union; then we will have a sentiment which reflects the will of the toiling masses. Thus, the sentiment from all parts of the country in our great republic is brought forth like the little streams which trickle down the mountain sides, which form the brooks, rivers, etc., and if we in the past have committed errors, we can in the future correct them. But I enter my protest against this eternal carping and fault-finding. At St. Louis all the States which were organized had representatives, and if any delegate was not heard it was his own fault; and unless we make concessions and submit to the will of the majority we will become fragmentary.

Ever since I was old enough to notice the actions of mankind, two classes were prominent before my vision. One was the men and women who tried to create something for the subsistence of mankind, those whose lives were spent in daily labor and constant toil, to visit the homes where lacerated hearts were bleeding; in a word, men and women who it is well were born.

Mr. Jefferson says: "He that causes two spears of grass to grow where only one grew before is a public benefactor." And this class of men are the noble men of our country. For if there is a nobleman on

the face of the green earth, it is the one who is willing to earn the bread he eats. But that other class, whose life-work is to destroy those who are trying to sow seeds of discord, what must we say of them?

In our State constitution provision is made for a business agent. What is he for? Most assuredly to get rates with wholesale dealers, in order to better our condition financially. And yet we have members holding positions of trust in our order who are trying to impair the usefulness of our State purchasing agent.

I may be thought an alarmist, but our growth in Missouri has been too rapid. Bankers and others who have no interest in common with us are knocking at our doors for admission, and too often they are admitted, and then they begin to sow the seeds of discontent. If we hold monopolies to be dangerous, it becomes us to watch with a jealous eye every innovation calculated to do us harm. That there is a conspiracy on foot to destroy our organization by internal strife, there can be no doubt. Brethren of the order, beware of those wolves in sheep's clothing! They will say to the unsophisticated farmer, "Have nothing to do with politics; attend to your crops." Yes, those men who have led the populace, plunged us into bankruptcy, and grown fat on harvest toil, are still crying for help, these impostors are still in our midst. I lift the warning voice, beware of their arts! Enter not in the circle of their meshes! Their charms are like those of the serpent and lead to the death. They have mutilated all that is good, grand, and glorious on this continent. It is for you, brethren, to act. Will you stand with folded arms, or will you advance forward? All around us we hear the shout "forward!" Let us be "up and doing." There never was, since the foundation of our Government, a greater interest taken in governmental affairs than now. A ground swell, if you please. There is cause for it. From the Atlantic to the farm of the Pacific, from the frozen regions of the North to the South, where blooms the magnolia, we hear the voice of discontent. "When the wicked rule, the people mourn." Let us be up and doing and come to the front. Let your voice come up as the sound of the mighty waters. Let it be one shout of popular indignation until those trusts and combines, and those monsters, who have gormandized, robbed, and plundered the populace, seek their hiding place.

THE NATIONAL ECONOMIST ALMANAC is a very different book from the ordinary calendar almanac. It contains a vast amount of carefully-prepared statistical information of that character peculiarly useful to agriculturists and those sometimes called upon to deliver an address in the interest of the people. It will never go out of date, as almanacs usually do, since it contains besides this a store of statistical information worth many times its cost, an excellent manual or parliamentary usages, plain and simple and easily understood, and will take the place of a book that usually costs 60 cents. It also contains a very good synopsis of the proceedings of the regular annual session of the National Farmers Alliance and Industrial Union, held in St. Louis in December, 1889. All this is sent postage free at 15 cents for single copies, or in clubs for 12½ cents.

THE NATIONAL ECONOMIST.

OFFICIAL ORGAN OF THE
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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 cause it has pursued and recommend that every member of the order should subscribe and read the paper as one of the best means of education in the way of industrial freedom.

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A DANGEROUS BILL.

H. R. No. 4668, "to promote the efficiency of the militia" is one of the most dangerous bills now before Congress. It seeks to make this country an armed camp, rivaling in many respects Germany and France. It revives the old obsolete militia laws of 1792, and to place the entire citizenship of this country under martial law. Just why it is necessary at this particular time, when all other nations are devising some means by which the arming and equipping of soldiers may be eliminated from the burden of taxation, that this nation should begin to consider warlike measures, is difficult to determine. Almost every report to Congress this session has contained dark allusions to a possible war. What is there that makes these preparations a condition of our expected prosperity? The regular army costs annually \$25,000,000, which is by far too much. This bill would, if passed, grow to an expenditure of double this amount annually, as every one conversant with military matters must admit. Under the guise of a false patriotism it seeks to fasten upon the American people a system that can produce nothing but taxation and trouble. It will make places for thousands of political sycophants, and fill the land with a class of people who eat up and consume, without returning an equivalent, the substance of others. The bill seems

to be introduced for the purpose of giving the surplus and altogether useless army officers something to do. There is a large number of these gentlemen too proud to work and dishonest enough to draw pay from the Government for any kind of service. The military academy at West Point is yearly adding to their number. A halt should be called at once, and a stop put to this kind of nonsense. More bills of this character will follow, and a general raid each year on the Treasury may be looked for from this source. This nation is in no particular danger save from its own people. This old militia law has remained unobserved and forgotten for nearly a century; why should it be disturbed at this late date? The people are not asking for it, and no one but those who hope to secure a situation under its enforcement are interesting themselves about it. It is a bad bill, and should receive the condemnation it deserves from all peace-loving people. Petitions should be sent in at once remonstrating against its passage. There is a powerful lobby here in its interest, and if it is defeated an effort must be made at once.

LOCATING THE SUB-TREASURIES.

The number and location of the sub-treasuries is incidently a matter of interest to those favoring the plan proposed in the bills introduced by Representative Pickler and Senator Vance. It is contemplated that counties which sell annually more than \$500,000 in value of the products named in the bill will avail themselves of its provision. This may not always be the case, but 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	Total counties.....	817
Missouri.....	22		

By a sort of accident, the number of counties in the United States correspond very nearly to the number of national banks. While not much more than

one in four of the counties gets a warehouse, a scrutiny of the list above will show that warehouses will be most plentiful in those parts of the country where national banks are seldom met. While this may not prove that lending money at 1 per cent increases production, it certainly argues for the proposition that it more generally equalizes the opportunity for Government favor between different sections.

THE BOND FORGERY.

Many inquiries are being made in regard to the bond forgery, and for the reason that the Government continues to pay a premium on bonds. That there was a forgery somewhere and by some one the records themselves plainly show. The reason for such forgery is equally plain, and who the beneficiaries are is the clearest part of the whole transaction. The Secretary construed the law to suit the case, and as a result compelled himself to purchase a certain amount of bonds each year, as indicated by the amount of customs, for the sinking fund. That fund is now something over \$700,000,000 beyond the legal requirements. When all the bonds were paid upon which an option was due, the Government was at the mercy of the bond owners. They have made their demands felt to such an extent that the Government has already paid them as tribute \$42,065,633. There are about \$620,000,000 of 4 per cent bonds yet unpaid and not due until 1907. The present premium on these bonds is about 23 per cent. It is well understood that if this Congress adjourns without taking any action in regard to them, the premium will go to 50 per cent in less than six months. The Government must get rid of the ever-increasing surplus, and the purchase of these bonds becomes almost a matter of necessity.

If this buying is continued until the whole is absorbed, there will be a further tribute of fully \$200,000,000. The account will stand about as follows:

Premium already paid..... \$42,065,633

Premium to be paid..... 200,000,000

Total..... 242,065,633

Let each farmer figure this out for himself. At present prices for wheat it amounts to about 450,000,000 bushels. This represents the entire average wheat product of the United States for one year. Do the farmers of this country intend to pay as tribute to these bondholders on account of a forgery that Congress will not notice the entire labor of one year of their lives? Why should they remain content and submit to such injustice?

THE ECONOMIST was visited last week by Brother Henry C. Demming, who has undertaken to organize the State of Pennsylvania. The national secretary had just delivered to him the charter for the first subordinate body, located two miles from Harrisburg, and is named Patriarch Alliance No. 1.

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. 51.

THE ARGUMENT AND THE FACTS.

One peculiar feature of the argument against competition has already been noted in these articles. It is that the assertion that combination is necessary to prevent competition from ruining the interests that are combined, is most strenuous advanced in behalf of the interests, and the highest form of organization, and the greatest degree of skill and intelligence. This amounts to the practical declaration that the skillful management and high organization only succeed in producing that degree of recklessness and stupidity which is unable to distinguish between the competition that secures profit, by offering the greatest inducements to customers, and the cut-throat rivalry which succeeds only in attaining ruin by reducing prices to a point where every increase in business means an additional increase in loss.

Of course the assertions of extraordinary skill and intelligence for the management of these interests can be taken with a great deal of allowance. The managers of the great corporations are, like other men, in the possession of varied abilities, some of them being more and some less fitted for the competition, under which success is given to the most capable. This difference may have no remote bearing upon the desire for combinations, pools, and trusts, which protect the inefficient and incapable from the penalty of their blunders or offenses. On the whole we can recognize that the skill and training of corporate management is not so far above the average intelligence and industry of humanity, that its acts or theories are above criticism. But a high average of intelligence and special training is necessary for the management of the railroads, petroleum refining, sugar refining, the manufacture of steel rails, the production of anthracite coal, and all the other industries in which pools and trusts have been a prominent feature of the industrial policy. When it is asserted, therefore, that these men, whose training peculiarly fits them for determining the elements of cost, and for knowing where competition yields a profit and when rivalry begins to inflict a loss, are sure to push their rivalry to a ruinous and reckless degree, that remarkable indictment against either their sanity or their honesty calls for a strict examination of the assertion with regard to the truth, even though the indictment be brought by themselves.

With regard to specific assertions that certain interests were, prior to the organization of trusts or pools, brought by competition to a ruinous condition, it is first to be said that in the majority of such cases the assertion is not true. Of course we must concede that in every such case the profit permitted under competition was not all that those engaged in the industry would have been glad to obtain. The difference between the profits that circumstances will permit, and those which the business man thinks he

ought to have, is always a vast one. Within the past year we have had an example. The members of the dressed beef industry testified before the Senate committee investigating that interest, that their profits were really quite slender, and did not fairly return a full reward for their efforts, yet when one of the dressed beef establishments has been sold to a British syndicate, it is disclosed by an examination of its books that its average annual profits for the past three years have been 29 per cent on the capital invested. It is safe to say that if the profits had been 40 or 50 per cent the members of that industry would have held the individual opinion that they ought to have got a little more. But the illustration is a good one of the total unreliability of the testimony of interested parties, upon which nine-tenths of the combination theories are based, that their profits are really insufficient.

But with regard to the assertion that these corporate industries, when left subject to the free action of competition, have invariably been brought to a ruinous and prostrate condition, it is necessary to say right here, that the assertion is untrue. It has been made by the lights of the Standard Oil Company, with regard to the petroleum refining industry, before their combination was organized; yet the fact is, that before they commenced the cut-throat rivalry by which, with the assistance of the railroads, they were enabled to either ruin or absorb two hundred and fifty independent establishments in the course of a little over ten years, the business of petroleum refining yielded extraordinary and rapid profits. Only a few years before the Standard commenced to push its conquests, it was asserted of the business that the margin of profits was such as to enable any refinery to be burned up on an average of once every two years and still leave the capital of the refiner intact, with a fair profit for the railroads. This profit was, to a great extent at least, justified by the extraordinary hazards of the business; but it furnishes a good example of the utter deceptiveness of such pleas of the ruinous effect of competition. The falsity of the assertion with regard to the petroleum refining interests, is further illustrated by one fact which came under my personal observation, at the very time that the Standard was driving rival establishments out of existence by the aid of railroad discriminations. A certain Pittsburgh refining firm, through the inability to ship its products at rates which permitted competition with the Standard, was driven into bankruptcy, and obtained a composition with its creditors at the rate of fifty cents on the dollar. Shortly after it had made a settlement of its affairs in this way, a route for shipment was opened for the exportation of petroleum, by which the independent refiners were enabled to ship their products, not at an equality with the Standard, but at something more nearly approaching it than that which the railroad allies of the monopoly would afford. The result of even this unfair and handicapped competition, was that the firm in question within three years made so much money that it was enabled to put its affairs upon a solvent basis, and to pay the creditors, with which it had already made a composition of 50 per cent, the whole amount of their claims, with interest. Instead of the competition in the petroleum refining industry being ruinous, and bringing the industry to a prostrate condition, it is the fact that during the very time when the

Standard was trampling out competition, there was no case in which the independent refiners could obtain even an approximation to fair competition with the monopoly when they did not make liberal profits and obtain a prosperous and expanding business. The trouble in the petroleum industry from 1874 until the time when the Standard monopoly was complete, was not that there was competition, but that the inability to compete brought the independent interests to ruin, and swelled the wealth of the monopoly from a single million to the hundred millions that now represent its total capital.

The sugar refining interest presents another case in which the assertion of ruinous competition has an apparent foundation in the very narrow margins on which that staple has been sold. Yet if the conditions of that business are closely examined, two things will be found which wholly disprove the assertion of ruinous competition as made for a justification of the combination policy. The first is the fact that, however the sugar industry may have been depressed, the narrow margin on which sugar was handled, always stopped a little above the point of actual cost. The other point is, the fact that sugar is peculiarly a staple which can be handled at small margins, and yet yield good profits in the end. When we hear that sugar is sold at an eighth of a cent margin, it sounds small, but when we reflect that sugar is a staple for which there is a universal demand, which never becomes dead stock, by the changes of fashion or the variations of demand; and which will not become damaged by keeping for any length of time unless exposed to water or fire, then we see, that the sale of the staple at what appears to be an infinitesimal margin is really good business policy and yields a legitimate return to the active and intelligent business man. The risks of the business are smaller than in almost any other staple of equal price; the demand is universal; and the sale at a quarter or an eighth cent margin to either refiner, wholesale or retailer, means a fair business profit on the aggregate business, while half a cent profit carries with it the significance of rapidly increasing wealth. These considerations are shown to be true, by the fact that the sugar interest under competition bestowed upon those who carried it on intelligently and perseveringly the reward of liberal fortune; while the result of a temporary suspension of competition, has been the creation of vast and overweening wealth.

This same discrepancy between the facts and the representations can be found in a majority of the cases where combination for the sake of restricting competition, has been resorted to by specified industries. In steel rails, cotton-seed oil, whisky, and numerous other staples where attempts have been made to establish pools or trusts, it has been done upon a business known to be prosperous, and which has notoriously created immense fortunes. In other industries the attempt to obstruct competition has often been stimulated by the competitive reduction of what were in the first place very large profits to the moderate average that attends the majority of industries under the free action of that force. In some cases the stress of competition or a general depression of business, may have brought profits down to a very small margin; but in those cases, the untruthfulness of the plea that competition is destructive and will result in inflicting a loss, has been shown by the fact

that until there was an effort to drive the competitors into a combination, competition always stopped at the point of actual cost. Professor Hadley in his work on railroad constitution refers to the condition of the pig iron industry from 1874 to 1879, as an evidence of the losing nature of competition. But the fact is, that during that period the competition in the manufacture of pig iron, while subject to the general rule of depression in manufactured industries, always held the price of that staple at a very small margin above the average cost of producing it. The free competition in that industry made the average returns very slightly above the average expenses. Badly located furnaces had to shut down, when they could not sell their product at the cost of production. Furnaces with special advantages, either in location or in the adoption of the most improved methods, actually made money during the period in which Prof. Hadley imagines that competition inflicted a universal loss.

The railroad interest is one in which this plea of the ruinous nature of competition is supported by figures which give it an apparent foundation. But when we come to analyze the figures showing low net earnings and scanty dividends on railroad investments, we find some factors which confuse the accuracy of the statement.

When due allowance is made for their incorrectness, this will place a very different aspect upon the entire question. The first of these misleading factors is that of the watered and fictitious stock, with which the railroad system is burdened, as a result of the obstructed condition of competition; which has been characteristic of the system from its inception, and which it has been its constant effort to maintain. This subject has already occupied some of our attention, and will require more of it in the future. It is sufficient for the present to recognize how completely it alters the force of the assertion made with regard to the small profits of railroad operations. Mr. H. V. Poor, whose standing as a railroad statistician can not be disputed, at least by the railroad theorists, is already upon record as asserting that the capitalization of the railroad systems of the country is double its actual and honest investment. Everybody who has watched the operation of railroad inflation, and studied the methods by which fictitious capital is imposed upon all railroad corporations, with very rare exceptions, will know that Mr. Poor's estimate of the bogus representation of investment in railroad stocks and bonds is an exceedingly conservative one. It is plain, then, that the first thing to be done, in the light of Mr. Poor's assertion, is to multiply the figures which are given of the apparent railway profits upon the inflated capital by two, to represent the actual ratio of profits upon the *bona fide* investment. But if the figures are analyzed more closely it may be found that the actual profits received by those who engage in such enterprises would be, under a legitimate and honest capitalization, still more in excess of the apparent figures.

Take, for instance, the statistics given by the interstate commission for 1888. The total railroad capital reported in the statistician's report at that time, is \$8,129,787,000, of which \$3,864,000,000 is capital stock, \$3,816,000,000 bonds, \$448,000,000 floating debt and liabilities. On this total, the gross earnings were \$1,000,214,000, the operating expenses \$594,944,000, leaving as net earnings \$405,220,000,

or a little under 5 per cent on the total capitalization. Of these net earnings \$285,492,000 were paid for fixed charges, mainly interest, rents and taxes, leaving only \$119,728,000, as profit on the capital, or a little less than 3½ per cent. A considerable share of this net profit was used for other purposes than dividends, the total payments of dividends being but \$80,257,000, and those of interest being \$1,161,862,000. The apparent returns are but 2.03 per cent on common stock, 2.09 per cent on preferred stock, 4.24 per cent on bonds, with average payments of 3.06 per cent on all railway capital.

This looks like a bad showing, but its truth is placed under doubt at the start by the evident fact that if there were no more profits than these, the construction of new railroads would stop short. In the light of Mr. Poor's declaration that the actual bona fide investment in the railroads is one-half its apparent capitalization, they assume a very different shape.

In that case the \$405,000,000 of net earnings becomes 10 per cent of the actual investment, and the actual payments of interest and dividends amount to 6.12 per cent, and a moderate sum besides for sinking fund and surplus. But this is by no means all the correction that is necessary. The bonded indebtedness which is now half the proposed capitalization, is nearly all of the actual investment. It shares the hazards of stock and consequently commands a higher rate of interest. If it were only half the bona fide investment it would be easy for the unwatered railroads to borrow the money at 4 per cent. Half the debt stated above, at 4 per cent, would cut down the interest charge from \$168,821,000, with a good many bonds in default to \$96,00,000, and all the interest paid, and would swell the net profits of \$119,728,000, stated above, to \$192,549,000, which instead of the beggarly 3½ per cent on the watered capital stock, would be over 10 per cent on the actual investment. Discarding the floating debt as not entering properly into the problem, let us place the two systems side by side; and as we will see that Mr. Poor is correct in stating that with the water eliminated, the success of the railways "as investments would have no parallel."

	Watered.	Unwatered.
Capital stock.....	\$3,864,000,000	\$1,932,000,000
Bonded debt.....	3,816,000,000	1,908,000,000
Net earnings.....	405,220,000	405,220,000
Ratio to capitalization.....	5½ per cent.	11 per cent.
Fixed charges.....	285,492,000	192,990,000
Net profits.....	119,728,000	212,230,000
Ratio to capital stock.....	3.4 per cent.	11½ per cent.
Assigned to sinking funds and surplus	38,491,000	38,491,000
Available for dividends	80,237,000	173,739,000
Percentage	2.08 per cent.	8.99 per cent.

Note.—These figures are those for the fiscal year ending June 30, 1888, because those are the latest official statistics which I have at hand. The gross earnings for 1889 were much larger, and the net profits with the water eliminated from the capital would not be less.

From these figures it will be seen that the alleged lack of profit in railroad operations, is by no means as desperate as the advocates of the combination policy would have the country believe. Of course we can readily perceive that it would be very pleasant for the managers of the railroad corporations, if they were able to pay for dividends on the \$4,000,000,000 of stock and bonds, which represents nothing more than pure wind. If that could be done there is no

doubt that the same influences which have created these fictitious values would presently turn out five thousand million more of purely fiat securities, on which the claims for dividends for greater profits could be based; but the fact sufficiently illustrates the first point in the examination of this claim of the ruinous nature of competition.

The assertion that free competition prevents the earning of fair profits generally means that it prevents the people engaged in it from obtaining all the profits they would like to have.

Whose Man?

BY HARRY HINTON.

If a ray of light weighing the thousandth part of a grain, traveling from the sun at a rate of one billion of miles in a second, impinges an iceberg in mid-ocean, what will be the force of the stroke? The force will be the weight multiplied by the velocity. While walking through an old field near the set of sun, Harry Hinton was forcibly struck with an idea. It must have been a large idea, or a small one traveling at a great velocity, for the impaction on the cranium was momentous. He had been reading the history of finance and banking in this country, and the idea came forcibly that the banks and the money power not only now, but most all the time, have been the power behind the throne more powerful than the throne itself, have rendered this Government subservient to their interests. The banks in every instance have governed the Government. The banks and the money power have, *de facto*, been the Government, and the machinery of rule and legislation only their ready instrument in furthering their designs.

Whose man are you, Harry Hinton? Why, my good sir, I belong to the banks and capitalists. Whose man are you? I belong to the great American republic, you say. Well, that simply makes you the servant of servants, for the republic belongs to the money power. Better own up and save some of your credit by acknowledging your direct servitude at once. In order to make all this appear true we will give a few items of history. There is nothing like history.

The bank of North America was chartered in 1781; capital limited to \$10,000,000; issue unlimited; the subscribed capital by Government \$254,000; by individuals, \$146,000; no money paid in. The bank was run by the money paid in the Treasury by way of taxation, and individuals had just enough interest to gobble up all the spoils, and that, too, on money paid in as taxes on the people. This scheme lasted ten years.

The bank of the United States was chartered in 1791; capital, \$10,000,000; \$2,000,000 subscribed by the Government; \$8,000,000 by individuals. The Government had no money to pay its subscription, proposed to borrow it from the bank. The bank having no money to lend passed a credit of two millions on its bank to the Government, and the Government paid 6 per cent on the credit. This was a great deal better than the bank of 1781. For the Government not only furnished the major part of the capital by the taxes passing through it, but actually paid 6 per cent on \$2,000,000 to parties who did not have it to lend. Sold itself, bound hand and foot into bondage, and thus it remained till Jackson's

administration. He that hath ears to hear let him hear. This early in the infancy of the republic the banks and money power made a tool of the people's Government for their own enrichment. If such things occurred in the green tree, what may we expect in the dry?

Still better. The charter was renewed in 1816; capital (limited), \$35,000,000; individuals subscribed \$28,000,000; Government, \$7,000,000. The Government did not have the money and the individuals did not have it to lend; so the Government pays 6 per cent interest to the individuals on its \$7,000,000 for credit's sake. Angels and ministers defend us! Oh, ye gods, come down! All the money that was ever paid in was \$350,000, while this cut-throat scheme was collecting interest from the people's Government on \$7,000,000, and that through taxation. This itself was \$420,000 annually, and more money than the individuals had paid in.

The bubble burst in 1832 by Andrew Jackson vetoing the bill to renew the charter. This almost created a war. It is strange now in reviewing the past that Jackson escaped assassination. Those who are old enough to recollect the time can well remember what a howl was raised on this occasion. The whole world shook from centre to circumference. The moon turned red and the planets strayed from their predestined orbits. Great calamities were going to befall the nation. A more hideous and dishonorable crime was never perpetrated by any ruler in a free government. Such was the howlings and bellowings of the money sharks and those who were susceptible to their influence.

When the thing smashed up and a rendering had to be made, what was found in the bank? We find that individuals did not have as much money in the bank as the Government had first and last paid in as interest. They had squandered a portion of it in fast living and had issued a large amount of irredeemable paper money on a credit, for which credit the Government paid interest on. This ends the chapter. The country was then flooded with State banks till 1860. Some acted honestly and some rascally.

The war of 1860 was progressing. The Government issued notes and the banks were the first to refuse to take these notes. It issued legal tenders; they howled and protested. It issued interest-bearing notes by the million. This pleased them a little better. The Government issued interest-bearing bonds in order to reduce its circulation, and the treasurer per force, was compelled to travel by his agents all over the west to sell them. It issued the banking act allowing national banks to issue on the faith of bonds bought from the Government. This pleased them; ah, ha! They then could pay the Government 1 per cent on their issue and lend it for 10 per cent. When the war closed the banks had not in one single instance, without extravagant compensation, assisted the Government in maintaining its credit or in prosecuting the war. For what then, is the Government under obligations to these money-changers? Simply nothing. They had bought but a few of its bonds. Its bonds, its legal tenders, its interest-bearing coupon notes, all were out in 1865 among the people. The banks had hid its specie and would not touch a paper without immediate profit, or so far as their business demanded. These are irrefutable facts.

Now the dance commences. Now the speculation

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

SHEEP HUSBANDRY.

In the United States, if not elsewhere, the value of mutton seems destined to continue to be greater than that of the wool of the sheep. We believe that mutton can be produced of good quality cheaper than any other form of butcher meat can ever come to be produced. It is the most digestible flesh produced by any domestic animal, and ought, therefore, to be the chief meat diet of the people. The value of the fleece is most certainly an important consideration, but it is and must be secondary to the value of the carcass. Nevertheless, the production of mutton ought to be of such importance as to furnish incidentally a much larger portion of the wool consumed by American factories than has ever been the case. The dwarfing of wool growing is not here advocated; it is not suggested; but its great increase as an object secondary to mutton production. The mutton product is the business; the by product is the wool. To put the cart before the horse can not be wise. Such was the tendency of the very able and eloquent and statesman-like advocacy of the fine-wooled sheep, to wit, the Merino, by the late Henry S. Randal, LL. D.

Kind and affectionate readers, Harry Hinton wishes to know whose man are you? You may have some sprightly boys and some beautiful girls growing up, and Harry Hinton would like to know who they will belong to after you are dead. Subscribe to the NATIONAL ECONOMIST, and send for its almanac, as he has done, and you will learn.

JUST at this time Congress is trying to do something to stop the ominous growl that is everywhere coming up from the people. It is indulging in all sorts of experiments in the hope of blundering into the right one. Let them work. Let them bring out all the remedies the entire membership can think of, the end is in the near future. President Lincoln said, "You can fool part of the people all the time, all of the people part of the time; but you can't fool all of the people all of the time." The two first propositions have been worked to their fullest extent on this generation; the last one is being tried, but it won't do. Father Abraham was right, and the plutocrats of America will soon find that out. Some time, and that soon, a representative of the people will stand up, and with words that burn, and tones that reach wherever there is a citizen of this Republic, will say, "It is enough, the time has come. Let the afflictions of this people cease." It will then be done easily, but most thoroughly. Let no one disbelieve this. Let no one falter, but let every one work for its accomplishment.

The Stephenville (Tex.) Headlight states a truth which is but another form of Malthus' deduction:

The depression in the matrimonial market is attributable to the same cause as depression in other matters. It forces young men to remain single and the women to engage in business for a living formerly held by men exclusively. Had this country a just financial system that would properly reward industry, old bachelors and old maids would be scarce. Fact.

Youatt derides an attempt to replace the small and hardy cheviots on the pastures occupied by them,

with the improved Leicesters as ridiculously foolish, and as having resulted, as was to have been expected, in rapid deterioration and speedy annihilation of the Leicesters exposed to rude blasts on high and rugged pastures, yielding scanty herbage. Yet those very pastures and those very conditions of exposure had produced in the cheviots a complete adaptation to that environment. From such facts with which the entire history of British sheep husbandry is replete, the conclusion follows that a local breed formed by improvement of the hardy and fully acclimated sorts, usually styled native or scrub breeds, by grading to an improved breed, which would bring to the cross hardness, moderate size, with great activity and disposition to fatten at any age, and a known capacity of adaptation to new environments would be the best breed. We think the Southdown unrivaled for the purpose in nearly all localities in the United States. For the purpose of producing new breeds, by grading and selecting the native stock, we do not intend to be understood as limiting the choice to Southdowns; only we believe them to be capable of wider utility in this behalf than any other one breed extant. It follows from the line of remarks above, that we are of opinion that rams from acclimated flocks are much more valuable for such a purpose than those imported from foreign stocks. Indeed, this is simple common sense. It is known that imported males of all kinds are sometimes rendered permanently impotent, but more frequently fail to breed or are indifferent breeders for several seasons, until they are in some measure acclimated and physiologically readjusted to the conditions of a new environment. This is in no way remarkable, but it would be very remarkable if it were not so. The value of any improved breed depends on the character of its grade with natives.

PERMANENT PASTURE.

A field or fields kept permanently in grass for pasture is a great convenience with many farmers, and great difficulty is sometimes experienced in keeping such a field in good condition. The grass runs out and fails to form a good sod. The seedsmen are ready with "our own mixture" for seeding permanent pasture. "Our own mixture" is composed of from three to a dozen common sorts of grass, bought on the wholesale market, and mixed and sacked and duly labeled. The component seeds average a dollar a bushel, and the mixture is sold at from three to ten dollars. These mixtures have had a great run, but they are based on a wholly mistaken notion, viz., that on any square yard of old turf there will be found a very great variety of grasses. The fact is, that in most fields of any size there are a great variety of soils, having a great variety of slopes, exposures, color, and capacity for moisture, and each of these several natural divisions of the field is best adapted to its own peculiar variety of grass, and to sow a mixture of numerous varieties on all these plots will be to put down much of the seed where it will be wasted and come to naught. The field at this moment under the writer's eye contains a plot of about one acre, which can not be thoroughly drained, which is naturally heavily set in red top grass, which grows upon it in great luxuriance, and there is not a sprig of clover, or timothy, or blue grass, or orchard grass upon it, nor will either of these sorts grow thereon, because it is too wet. Sloping down to

this spot is a hillside, with a northern exposure, which is densely covered with the flat-stalked blue grass (*poa compressa* of the catalogues), and there is not upon the whole area of the slope a single sprig of red top. In another part of the field is a dense growth of grass which appears to have choked out all other sorts. The greater part of this pasture is Kentucky blue grass, forming a dense turf and having a very trifling intermixture of other varieties. The actual arrangement of all old pastures is similar to the one just described and the true way to seed them down is to sow each portion of the field in the single variety best adapted to the spot. Orchard grass should always be sown separate and apart from every other sort, and every permanent pasture should contain several plots of it. A lawn in any place fit to make a lawn should be seeded with Kentucky blue grass alone, and any other variety should be regarded as a weed. Timothy is another grass which does greatly better unmixed with any other sort. "Our own mixture" for lawns or for pastures, is a delusion and a snare. A bushel of the mixture is sold for twice as much as a bushel of the most costly seed in it, of which there will be usually a quart. There will certainly be three pecks of the cheapest kind in the bushel of mixture, and the whole will be sold for from three to eight hundred per cent profit; according to the stretchability of the seedman's conscience—and the gullibility of the farmer.

The average seedman will give the average fertilizer agent ten in the game and then beat him cheating farmers. The more seeds and fertilizers are "mixed" the more trash is in them and the higher they are sold, for the skill of the guano manufacturer and the seedsmen, as displayed in our formula for mixing, must be paid for, and skill comes high.

MUTILATED MONEY.

In the report of the Secretary of the Treasury for 1889, table No. 18, page 44, shows the amount of mutilated paper money redeemed and the deductions made on account of mutilation. This amount is given at \$349,095.10. But it is counted as among the people in circulation just the same. If a person should hold a \$10 greenback in the fire and burn up a part of it, and then go to the treasury and receive \$1 for what remained, that department would continue to treat the burned and destroyed \$9 as in circulation. Consequently this \$349,095.10 that has been lost and out of use for no one knows how long, is being counted as money among the people. This is only a sample of many unfair means used in deceiving the people as to the amount of circulating medium among the people.

Mill's Weekly World (Altaneout, Kan.) says:

We see it stated that while the Alliance was passing resolutions condemning Ingalls, he was in Washington with his coat off just knocking the stuffing out of trusts. Why in thunder did he wait until just the eve of his re-election to do this, when he knew what the people needed all the time?

The Alliance Eagle (Ellisville, Miss.) puts it:

A strong effort is being made to push cotton seed oil to the front, that it may take the place of lard, and as lard is so badly adulterated, cotton seed oil has a fair show to take its place.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

A correspondent in the Colorado Farmer (Denver) falls into an error. The bill introduced by Senator Cullom, as requested by the Alliance of Cowles County, Ill., antedates the vague resolution of the Senator from California, and the whole proposition is a modification of a plan proposed more than two years ago by John Davis, editor of the Junction City (Kan.) Tribune.

The Alabama Mirror (Selma) argues:

If the Government has the right to establish warehouses for distillers, and pay all expense for guarding and caring for their property for three years, or can loan its credit to the banks or to railroads, why can it not place money in circulation by advancing the same upon bona fide property in its own custody? The farmers of the West and South are now trying remonstrance and petitions, both of which are likely to be in vain, but the time is rapidly approaching when party lines will be brushed aside like cobwebs, and the galling chains of slavery will be broken like the wythes with which Sampson was bound, and a national party will be organized that will know no North, no South, no East or West, but will know only its rights, and knowing these will dare to maintain them at any cost or any sacrifice.

The Dublin (Ga.) Post tells of a benefit through the Alliance:

The Alliance has been the pecuniary salvation to the farmers of this country. In the purchase of guano alone it has saved the people from two to ten dollars per ton. In this one purchase it has saved the farmers of Laurens county this year over ten thousand dollars. May the Alliance continue in the noble work, and do even more good than in the past—which no doubt she will.

The Labor Review (Gladbrook, Iowa) states it this way:

All wealth is created by labor. All money is created by law. The few make the law, and so make the money that it acts as a sponge to absorb what labor produces. By making money scarce and dear, labor and products are made cheap; so money practically owns not only the product of labor, but the laborer himself.

The Alliance Sentinel (Lansing, Mich.) is doing good service. It sees a constituency growing around it in each Alliance organized in that State. It says:

It is not the intention of the Farmers Alliance to break up any political party, but to control parties for good, by power of numbers. We believe certain reforms are necessary, and if gained, will help the farmers and be for the general good of all. Every farmer who is an Alliance man will make his party better for being in it, and every ten men will make it ten times better.

The Farmers Union Department of the Caucasian (Shreveport, La.) edited by J. A. Tett, is full of strong things. It says:

The sub-treasury plan is a plan to benefit the wealth-producers of our country. Should not a commonwealth protect and help the men who sustain it? Do national bankers add anything to the wealth of a country, or are they only helps to distribute the wealth after it is produced? If their money adds to the wealth of the country, by furnishing means for increasing production and development, would not Government loans direct to the people do the same thing? If the banks help farmers develop and produce, with interest at from 8 to 20 per cent, would not Government loans at a lower rate add more to the wealth of the whole country and the farmers in particular? Study this question and write your Representative and enlist his influence to help you in this unless he is a banker, in which case he will vote for his own interest.

The Alliance Herald (Montgomery, Ala.) is sound in its views on business effort in the Alliance:

The Alliance ought not to antagonize any class merely through prejudice. If merchants charge exorbitant prices,

the Exchange furnishes the remedy. It will sell you goods at prices that are fair and right. Use the Exchange as a lever to bring them to fair treatment, and it will succeed. Nothing will bring one of them to his sober senses better or quicker than a bill of goods from the Exchange, and so long as the merchant or merchants of any community persist in trying to realize more than legitimate profits, use the Exchange. In fact, use it on all bills that can not be bought cheap at home. The merchant will not be slow to catch the drift, and adjust his methods and business to the demands.

The Alliance department of the Lawrence (Kans.) Journal is bright as usual. It deplores proposed changes in the State University:

The University is to become a poet-factory. This attempt of the University to convert the steady-going Kansas youth into a long-haired, soiled-collar, suspenderless, generally down-at-the-heels poetaster whose eyes will suffer from so much rolling in fine frenzy that the toiling farmer parent on the father's side will have to sell seven bushels of corn to buy a dollar pair of genuine pebble glass specs—this determination on the part of the University to condemn the young men of this State to the inevitable penury of poets, we must deplore. Of what good will a poet be to a Farmers Alliance? What use of a poet in the Kansas real estate office? It is really absurd.

The Windsor (N. C.) Ledger says:

The coming campaign will be a campaign of intelligent farmers against indifference and apathy. The voice of the farmer is raised in no uncertain sound, and if the long-needed relief does not come their influence will be felt in the future to the utter dismay and confusion of those who oppose them. We are glad to know that our peerless Vance is on the side of the farmer in his struggle to live, and that he is heartily in favor of the sub-treasury plan, which seems to us to be the most feasible plan for granting the relief for which the farmers are suffering.

The Colleton Press (Walterboro, S. C.) says:

The sub-treasury plan has been indorsed unanimously by the Farmers Alliance of Colleton. The Press is heartily in favor of the scheme, for we believe that when it is carried into effect the farmers will be able to bid defiance to capitalists and combines everywhere.

The second number of the Farmers and Laborers Light (Princeton, Ind.) is at hand, fully up to the work as an exponent of reform. The Light says:

It appears that some of our business men believe, or pretend to believe, that the object of our order is to injure the merchant. Elsewhere in this paper will be found the preamble of our order, which sets forth plainly our object and demands, as promulgated by the General Assembly of the F. M. B. A. A careful perusal of this declaration shows that no fight whatever is made upon the retail merchant. Our aim is higher and nobler than that. The merchant, while he is not eligible to membership in our order, is as much interested in the accomplishment of our purposes as the farmer. Since whatever benefits the farmer and laborer benefits him equally as much, and the business man who sets himself up to antagonize our organization, does not understand us, else is blind to his own interest. We ask a careful examination of our principles and defy any business man, unless he be a banker or monopolist, to find therein a single declaration that will not accrue to his benefit and that of the people.

The Union County Farmers Alliance (Buena Vista, Ga.) says truly of the vigorous president of the Georgia State Alliance:

The address of Mr. Livingston at Americus was a good one. No uncertain ring in its tone; no dodging; no double-dealing. From the introduction to the close of his speech he was listened to with marked attention, and frequently greeted with rounds of applause. Mr. Livingston discussed the financial system of the Government at length; pointed out its odious favoritism, and convinced his unbelieving hearers that the sub-treasury plan is the best remedy for existing evils until a better one is presented. If our president has any ambition for civic honors, no word of his indicated the fact. Our Alliance friends may feel assured that in Mr. Livingston the cause has a fearless champion, altogether able to care for himself and the interest of the order.

The Faulkner County Wheel (Conway, Ark.) is teaching independence:

If the average American 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 Alabama Mirror (Selma) concludes:

The trouble is in lack of distribution, brought about by the greed and avarice of corporations, which leave nothing for the producer after paying the cost of transportation to market. The same conditions exist with the truck farmers and fruit growers of the south, and loudly call for a general supervision of freight rates by the Government.

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

The editor of this paper is a prohibitionist. If we had it within our power we would prohibit the manufacture of the stuff called liquor entirely. For this Government to legalize the sale of intoxicants, we think, is as if a man should fold to his bosom a reptile to poison with its venom his life-blood. We are not in favor, however, of the Alliance shouldering that question. We have enough to do already, and if we accomplish all we are contending for, it will be glory enough for one organization.

The Northern Light (Spokane Falls, Wash.) is not respectful to its State legislature:

The legislature has adjourned after a five months' session, and in all probability it will be called by the governor to meet in special session. In the meantime the tide lands are stolen, and all other lands are squandered; we are \$700,000 out, but we have a G. A. R. badge law and an anti-cigarette law, a log law, and a great deal of other absurdities similar to the above enacted into law. How wise our legislators are!

The Alexandria (N. Dako.) Journal says:

There is a great demand for a change in the time in which a Congressman must take his seat in the legislative body. The Congressman should take his seat the month following his election, while the issues on which he is chosen are alive, and not wait a year after election.

The Nonconformist (Winfield, Kan.) has discovered that—

The audacity of the Western populace in declining to attribute the successive "lean years" to the "dispensations of an All-wise Providence," is unpardonable in the eyes of the paid tools of Wall street, whose salaries are drawn for services as Congressmen. As suggested by one contemporary, there is no delay in getting a measure passed to grant rights to railway corporations through the Territory, or other portions of the public domain. No fears of impaired contracts on such deals as that. But let the people ask for a Government loan, and good Lord! the howl that arises.

The editor of the Junction City Tribune lectures among the farmers. Recently he told an audience:

Just think of a railroad debt-burden of \$915,000,000, resting on the State of Kansas alone! And about ten times that amount resting on the United States! The railroad corporations of this country have received from the people and the Government fabulous sums of money and lands amounting to nine times the State of Ohio; yet, instead of receiving any credit in the cost of the roads for these munificent grants, the people are now burdened with a capitalization equal to twice or thrice the cash cost of the roads and their entire equipments. And these kings of the rail who have manufactured this colossal burden for their own emolument, boldly declare that it is their determined policy to tax us all that we can bear!

The Capital Item (Baton Rouge, La.) has a vigorous Farmers Union department, conducted by J. B. Kleinpeter. This is a sample of its goods:

And please, why should the sub-treasury plan be not adopted? Have we not precedents? Since you take your banking system from England, why should we not refer you to France for the sub-treasury plan? It was that system that allowed her to settle her millions of debt she owed after the German war. But we have precedents at home. What is the Government doing for the whisky ring? They are allowed to place their product in bonded warehouses for three years and receive a large portion of its value without interest. Are the farmer's and laborers of less consideration in the affairs of government than the whisky manufac-

turers? Again you advance the bankers 90 per cent of the bonds they place in your vaults (warehouse); we only ask 80 per cent of the value of our produce and propose to pay all expenses, storage, insurance, etc., for the privilege. Now this is the sub-treasury plan in a nut-shell. Nothing complicated about it. It is a little rough on corners, combines, trusts, and future dealers, but, gentlemen, you must be "shooting craps" for our produce. And now, what is Congress going to do about it? That is hard to answer, but the bill is there and it will gather strength.

The Prentiss Plaindealer (Booneville, Miss.) reports:

A meeting of the presidents and executive committees of the State Alliance and Agricultural Wheel was held at Tupelo on the 14th instant, and the two orders were formally consolidated under the name of the State Alliance and Industrial Union. The farmers' organization of the State will be greatly strengthened by the union. A. M. Street, of Prentiss, and W. A. Richardson, of Alcorn, were appointed to communicate the new secret work to the consolidated order in Prentiss, Alcorn, Tishomingo, Itawamba, Tippah, Union, and Lee.

Commenting upon a proposition to make an educational and property qualification for suffrage in Mississippi, the Arkansas Dispatch (Prescott) says:

The Hazzard policy has reached the stage in which it is a necessity to disfranchise the serfs. Southern plutocrats want to begin with the negro and save the whites. Northern plutocrats want the "white trash" disfranchised. The simple truth is, the Hazzards want labor disfranchised and will encourage any move in that direction. Daniel Webster said, "Universal suffrage can not long exist in a community where there is great inequality of property, for the holders of estates will be obliged to restrict the right of suffrage or that right of suffrage will divide their estates." Here is the tug of war. Shall plutocracy be restrained or shall the masses of wealth producers be disfranchised?

The Kansas Commoner (Newton) is brimful of strong points. In advocating Government loans to the people without the intervention of banks, it illustrates:

There are more than three thousand national banks in the country, each has an account with the comptroller of the currency at Washington, and each is from time to time examined by a Government officer. Now, if in place of these institutions we had a Government depository at each county seat, in charge of competent men, who were authorized to loan at a low rate of interest—so low that private parties would not care to compete—the greatest cause of the robbery of labor would be at an end and this system of money monopoly, which is impoverishing the people, would cease and determine. Then, the amount paid as interest, would be enormously decreased to begin with, and what was paid would be paid to the Government—that is to "us" in our collective capacity—and would decrease taxation to that extent. In fact the proper management of the national banking department, when conducted in the interest of the people, would pay all the expenses of the general Government, economically administered.

The Washington (D. C.) Star reports locally:

A section of the House bill which is particularly attacked by the silver men, is that making the Treasury notes issued in payment for bullion redeemable in bullion. They agreed this morning that the effect of this section would be to pile up bullion in the Treasury and to give some warrant for the demand of a radical farmer's element for great Government ware-houses in which their agricultural products may be stored and Government notes issued thereon. They want the Treasury notes redeemed in lawful money, which may be procured by coining the bullion purchased.

The North Dakota Capital (Jamestown) comments upon a local controversy:

The Minneapolis Times says it is not going to quarrel with the Journal of that city about the "honor" of guaranteeing 38 cent seed wheat to the Dakota farmers at a dollar a bushel, and take mortgages on the poor victim's household furniture to secure the loan. Charity comes high, but is a good thing nevertheless. It may not bring a return of ten-fold to the giver in this case, but 42 per cent is counted a pretty fair return even in the Dakotas. The seed wheat commission is discouraging lotteries by showing how a greater profit can be realized from supplying seed wheat to destitute farmers in the name of charity.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 6.

THE NATIONAL ECONOMIST

SATURDAY, APRIL 26, 1890.

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WASHINGTON, D. C.:

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THE NATIONAL ECONOMIST.

Bedford County Farmers Alliance.
The following resolutions were passed at a meeting of the Bedford County Farmers Alliance at Liberty, Va., April 4, 1890:

Whereas we, the Bedford County Farmers Alliance in convention assembled, do most cordially indorse the plan recommended by our Grand Council and known as the sub-treasury plan, and believing that it will meet the demands of a public necessity, therefore,

Be it resolved, 1. That we do most earnestly request our Senators and Representatives in Congress to give it such support as the emergency demands.

2. That our Secretary be instructed to forward an official copy of these resolutions to each of the United States Senators from Virginia, the Hon. Paul C. Edmunds, our representative in Congress, and also send copies to our State and National organs, with the request that they be published.

The Colorado Workman (Pueblo) gives the substance of remarks by a gentleman in conversation, which may be considered orthodox by those who want to know what the "rural roosters" are cackling about:

In 1888 there was enough dollars in the country to buy the corn crop of Kansas and pay 25 cents a bushel for it. In 1889 the farmers of that State raised twice as much corn as they did in 1888, but the crop of dollars did not increase, so the corn buyers, in order to have dollars enough to go around, cut the price in two and are now paying 12½ cents for corn, and the farmers are kicking; but what they are kicking about we can not see. They are getting just as many dollars for their crop of 1889 as they did for the crop of 1888. All the difference is, they have to haul eight bushels to market for a dollar this year where they only hauled four the year before, and as they have plenty of it, we don't see what they want to kick about a little hauling for; they might just as well be doing that as wasting their time around those Alliance meetings.

OFFICIAL DIRECTORY OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

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

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

Lecturer Ben Terrell's Appointments.

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

Indiana, 18th April to 2d May.
Wisconsin, 6th May to 20th May.
Dakota, 23d May to 10th June.
Nebraska, 12th June to 24th June.
Colorado, 26th June to 10th July.
Kansas, 12th July to 19th July.
Indian Territory, 22d July to 30th July.
Missouri, 2d August to 16th August.

INDIANA.

Anderson, 1 o'clock, April 28.
Tipton, 1 o'clock, April 30.
Logansport, 1 o'clock, May 2.

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.

INDIAN TERRITORY.

Pauls Valley, July 22.
Dougherty, July 24.

Colbert, July 26.
Caddo, July 28.

Eufala, 2 p. m., July 30.

FRIENDS OF THE ECONOMIST PLEASE NOTICE.

Petitions are now coming in freely from all parts of the country. The chairman of the Legislative Committee

wishes to acknowledge receipt of all resolutions and petitions, but finds it impossible to do so, owing to the fact that few of them contain the post-office address of the sender. They usually sign the name of the president and secretary of some Alliance or Union, giving the number of the Alliance or Union, but they often omit the post-office. Consequently those who do not receive acknowledgments of the receipt of the petition or resolution, will know it was because no post-office was mentioned to which reply could be sent.

HOLSTEIN-FRIESIAN

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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,
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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 MFG 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., APRIL 26, 1890.

No. 6.

THE VOLUME OF CURRENCY.

An Investigation as to Quantity, and the Conclusion which is Arrived At.

BY N. A. DUNNING.

One of the most difficult points to determine in a discussion of finance is the amount of currency in circulation. Especially is that true in this country where there has been a united effort on the part of the Treasury Department and the banks to deceive the people as to the true condition regarding this important matter. In order to prove this assertion, and at the same time furnish a basis for further calculation, I quote from the Report of the United States Treasurer for 1889, pages 10 and 11. He says:

The metallic stock of the country, as estimated by the Director of the Mint, and the outstanding issues of paper, as shown by the records of this office, on June 30, 1888 and 1889, were as follows:

	June 30, 1888.	June 30, 1889.
Gold coin and bullion.....	\$705,818,855.00	\$680,063,505.00
Silver dollars and bullion.....	310,166,459.35	343,947,093.00
Fractional silver coin.....	76,406,376.00	76,601,836.00

Total coin and bullion... 1,092,391,690.35 1,100,612,434.00

	State-bank notes.....	230,806.00	201,170.00
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	Old demand notes.....	56,807.50	56,442.00
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	One and two year notes....	63,835.00	62,955.00
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	Compound interest notes...	189,530.00	185,750.00
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	Fractional currency, estimated.....	6,922,643.82	6,916,690.47
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	National-bank notes.....	252,368,321.00	211,378,963.00
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	United States notes.....	336,681,016.00	346,681,016.00
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	Certificates of deposit, act of June 8, 1872.....	14,915,000.00	17,195,000.00
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	Gold certificates.....	142,026,150.00	154,048,552.00
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	Silver certificates.....	229,491,772.00	262,629,746.00
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Total paper currency 992,942,881.32 999,356,284.47

Aggregate 2,085,334,571.67 2,099,968,718.47

The following tables show the amounts of the several kinds of currency in the Treasury and in circulation:

	June 30, 1889.	In Treasury.	In circulation.
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	Gold.....	\$303,387,719.79	\$376,675,785.21
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	Silver.....	314,935,151.52	105,613,777.48
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	Old paper issues.....	1,094.76	7,421,912.71
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	National-bank notes.....	4,150,537.75	207,228,425.25
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	United States notes	47,296,875.54	299,384,140.46
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	Certificates of deposit, act of 1872.....	240,000.00	16,955,000.00
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	Gold certificates	36,918,323.00	117,130,229.00
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	Silver certificates.....	5,487,181.00	257,142,565.00
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Total 712,416,883.36 1,387,551,835.11

From the face of the preceding statements it would appear that there was an increase both in the aggregate mon-

etary 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	186,257,490.79	493,806,014.21
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office, so far as it relates to the custody of the public moneys, deals with three kinds of funds. First of these are the revenues, which upon their collection are covered into the Treasury by warrant and held for disbursement upon appropriations. Second are the gold and silver coin and United States notes received in exchange for certificates of deposit. These moneys also are covered by warrant, and charged to the Treasurer in general account, the certificates issued being treated as part of the public debt. Lastly come the deposit accounts, consisting of the bank-note redemption funds and moneys set apart from the public funds or received from other sources for specific purposes. These are not covered by warrant, and their amount is an addition to the cash in the Treasury of which the Treasurer alone takes account. The moneys received from these several sources are thrown together, but gold coin, standard silver dollars, and United States notes equivalent to the respective amounts of certificates outstanding must always be on hand. This method of handling the several funds in the Treasury makes it necessary in the statements of assets and liabilities to include as resources all the items of cash and credit, there being no way of setting apart particular kinds of money against the several classes of liabilities, except in the case of outstanding certificates of deposit, as has already been noticed.

The following is a detailed statement of the amounts deducted from the general accounts as money held from circulation, June 30, 1889:

Amount in U. S. Treasury.....	\$278,543,585.36
State bank notes.....	210,170.00
Old demand notes.....	56,442.00
One and two-year notes.....	62,955.00
Compound interest notes.....	185,750.00
Fractional currency.....	6,916,090.00
Certificates of deposits.....	17,195,000.00

MISCELLANEOUS ACCOUNTS.

Lawful money to redeem national bank notes.....	83,681,269.16
Disbursing officers' balances.....	23,921,599.93
Redemption and deposit account.....	8,430,620.41
Loaned national banks.....	47,259,714.39
Post-Office Department.....	6,020,508.09
Transfer checks.....	6,055,431.39
National bank notes in process of redemption.....	4,026,241.20
Debt and interest paid.....	10,885,389.96
Gold held to redeem greenbacks.....	100,000,000.00

Total..... \$593,451,366.80

This vast amount of currency is held from the channels of business almost entirely by the arbitrary rulings of the Secretary of the Treasury under a strained and altogether doubtful construction of law, and is as completely out of circulation as though it were buried in mid-ocean.

As proof of the correctness of these figures I will refer to any statement that is sent out of the Treasury Department showing its assets and liabilities.

Again, the National bank act of June 3, 1864, as amended, provides that every bank in certain cities shall have on hand at all times at least 25 per cent of the amount of its deposits, and all other National banks at least 15 per cent of deposits. Assuming the average to be 20 per cent on the whole \$1,521,992,819 of deposits would give \$304,398,563, as the lawful reserve. This amount is held out of circulation by statutory law, and can in no sense be classed as a part of the circulating medium.

The returns from 3,964 State banks, private banks and trust companies discloses deposits amounting to \$2,335,775,606. Just how much currency these institutions are compelled by business principles to keep constantly in reserve, is a matter of conjecture. A

careful inquiry, however, shows that some retain 20 per cent; others 15, and none less than 10 per cent of the amount of their deposits as a fund in reserve. I have estimated it at 8 per cent, which makes \$186,862,048. The Bankers' Almanac, for 1889, contains the names of 10,324 banks and trust companies as doing business in this country. This would leave 3,647 such institutions as not having reported. If they are averaged as holding \$15,000 each in reserve, it will make an additional \$54,705,000, or a total of \$545,965,611 held by these different institutions as a reserve fund. Senator Plumb, in a recent speech, places the amount at \$700,000,000, which I have no doubt is much nearer the truth. This vast amount he justly asserts can in no wise be called a part of the circulating medium of the country, as the greater portion is made a reserve fund by law, and the balance by the demands of good business principles.

There is yet another factor which enters into a calculation of this character which must not be overlooked; that is, the amount of currency lost or destroyed by fire, wreck and flood. During the past 28 years there has been an average of \$350,000,000 of greenbacks doing constant work among the people. Also for the past 25 years there has been about \$300,000,000 of National bank notes doing the same service. To calculate the exact loss would be impossible, but when such fires as those of Chicago, Boston, and other cities, the flood of Johnstown, and the wrecks of the past quarter of a century are considered, common sense will at once assume a large loss of this kind of circulating medium in consequence.

The Comptroller of the Currency has been giving out some elaborate figures upon this point, tending to show the small amount lost, but when it is known that these figures were made to help the bankers steal what has been lost, they at once lose their entire force. There was at the time of this report \$83,681,269 of lawful money held by the treasury to redeem outstanding National bank notes. It is claimed that one-half of it will never be called for. There was about \$46,000,000 of fractional currency issued, and now after 15 years of redemption there is \$15,000,000 outstanding and probably destroyed. At least, the Treasury Department has credited up \$7,000,000 of this amount as lost. In view of all this I shall deduct 8 per cent as destroyed, or \$52,000,000. This, I think, a very conservative estimate. The last and most difficult calculation is as to the quantity of gold and silver in circulation. In regard to the gold coin, I will quote from an article printed in the report of the Director of the Mint, Mr. Kimball, in his publication on "Gold and Silver Production." He gives an extract from the Commercial and Financial Chronicle, February 9, 1889. It says—page 42-43:

In years past we have often insisted that there must be an error in the item, because the most industrious inquiry failed

to bring to light a very considerable portion of it. At present there are at least \$275,000,000 of the total that cannot be accounted for. Since the New York banks turned their gold into the Treasury and obtained gold certificates for it the Government gross holdings of gold have become large. On January 1, 1888, it held gross \$324,773,667; it had outstanding of gold certificates issued against it \$120,888,448; hence its net holdings were \$203,885,219, as we give them in the above table. Even of these certificates afloat it is impossible to trace more than seventy-six and one-fourth millions in all, and of the gold not in the Treasury only about one hundred millions can be found. So whichever method the investigator adopts—whether by counting the gross gold in the Treasury, with an estimate for circulation, deducting certificates which are not in bank and in the Treasury, or by taking the course we have pursued—the result reached will be the same.

As to the gold in active circulation, whatever there is of it must be in the Pacific States, for in the eastern, western, and southern States not one individual in every hundred receives in ordinary business transactions a gold certificate or a gold coin once in twelve months. Contrast that fact with the other, that on the 1st of January, 1889, there were 60,779,321 silver dollars in circulation in the United States, the remainder of the 307 millions being in the form of silver certificates. Of that 60% million silver dollars we venture to say that every inhabitant who during the last year has tendered a \$5 bill in payment of some small purchase made has nine out of ten times had offered to him one or more in change. Such ubiquity in the case of 60% million of silver dollars proves clearly enough that if there was even a little gold coin passing from hand to hand it would be often met with. Still in the following statement, locating the gold in the United States, we have made a very liberal allowance for circulation, so that the reader may be satisfied that the amount hoarded is understated rather than overstated:

In Treasury, gold and bullion, less certificates outstanding.....	\$203,885,219
In National banks:	
Gold.....	\$70,825,187
Gold certificates.....	75,334,420
Gold clearing-house certificates.....	7,399,000
	153,558,607
In the State banks, etc.:	
Gold.....	27,015,951
Gold certificates.....	937,710
	27,953,661

In actual circulation, gold and silver certificates.....	40,000,000
Total in sight and estimated in circulation.....	\$425,397,487

Total in country..... 704,608,169

Total hoarded January 1, 1889..... \$279,210,682

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

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

Here is a frank admission that more than \$279,000,000 of gold coin can not be accounted for. It admits that it is not in the Treasury, or the banks, and is not seen in circulation among the people. This is true, for the very good reason that it is not in the country. To the surprise and chagrin of our wise financiers, \$67,000,000 of American coin went abroad last year, as shown by the records. How many more millions went without any record is impossible to ascertain. It is safe to presume, however, that the same policy that will distort the records of the real amount of money in the Treasury, will also deceive in regard to the exports and imports of gold and silver. Every one connected with the Treasury Department has un-

dertaken to explain away this vast excess of exports of coin, but so far have signally failed. The truth is our plutocrats are placing gold and silver in Europe against a time of need. The alien investor is demanding his pound of flesh, and folly and fashion are completing the disaster. All this draws from the stock of metal money. The Chinese come here poor and go away with our coin. The arts and sciences are using \$25,000,000 annually of gold and silver, and the plain fact is being demonstrated that instead of our coin supply being on the increase, it is rapidly being depleted. The people are being deceived into believing that our stock of coined money is more than filling the gap made by the lessening of our paper money. It is not true; both species of currency are growing less every day, and as a result hard times and low prices are with us.

In addition to the \$67,678,460 of gold and silver known to have gone out of the country, should be placed fully \$100,000,000 more, making a total of \$167,678,460 less gold and silver than is estimated by the Treasury Department. This is a very low figure, which, I believe, would, if all the facts were known, be increased 50 per cent of this amount. That even those who are supposed to know all there is to be known about this matter differ is shown by the statement in the reports of the Mint that the differences between the estimates of Director Linderman and Kimball amount to over \$50,000,000. When such authorities disagree, where can the truth be found?

If my figures and estimates are correct, the matter of circulation stands as follows:

Estimated by the Treasury Department.....	\$1,666,094,420.47
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
	1,359,095,437.80
Balance.....	\$306,999,982.67

Divided among 65,000,000 of people gives \$4.72 per capita.

The amount and kind of currency June 30, 1886, 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..... \$4,863,409,216

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

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 12.

The act of April 12, 1866, which is given below, was the first real act of contraction and the first outspoken evidence that Congress had become the property of the banks. Let every reader of THE ECONOMIST study this act carefully, because it contains the germ which has sprouted, grown, and thrived upon all labor in production since that time. It was the beginning of a series of legislative crimes which have no parallel in the annals of history. This piece of legislation was the "Araunt Courier" of the mortgage system, trust system, combines, syndicates, and corporations, and the beginning of that financial tragedy to which these of the present generation may be acting the closing part:

Be it enacted, etc., That the act entitled an "act to provide and means to support the Government," approved March 3, 1865, shall be extended and construed to authorize the Secretary of the Treasury, at his discretion, to receive any Treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this is an amendment; and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, so such an amount, in such manner, and at such rates as he may think advisable, for lawful money of the United States, or for any Treasury notes, certificates of indebtedness, or certificates of deposit, or other representatives of value, which have been or which may be issued under any act of Congress, the proceeds thereof to be issued only for retiring Treasury notes or other obligations issued under any act of Congress; but nothing herein contained shall be construed to authorize any increase of the public debt: *Provided*, That of United States notes not more than ten millions of dollars may be retired and canceled within six months from the passage of this act, and thereafter not more than four millions of dollars in any one month: *And provided further*, That the act to which this is an amendment shall continue in full force in all its provisions, except as modified by this act.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury shall report to Congress at the commencement of the next session the amount of exchanges made or money borrowed under this act, and of whom, and on what terms; and also the amount and character of indebtedness retired under this act and the act to which this is an amendment, with a detailed statement of the expense of making such loans and expenses.

Under the authority conferred by these two acts the following 9 per cent bonds have been issued:

Five-twentieths of 1865.....	\$203,327,250
Consols of 1865.....	332,998,950
Consols of 1867.....	379,618,000
Consols of 1868.....	42,539,350
Total	\$958,483,550

This authorized an addition of \$600,000,000 to the interest-bearing debt, and are called five-twentieths of 1865, while those bonds authorized funding were called consols. It gave the Secretary despotic power over the finances of the country, which he used to the fullest extent, as the sequel shows. It seems strange that President Johnson should permit such a bill to become a law without a protest, when it was

well known at that time and afterwards perfectly made plain that he sympathized with the people as against the financial policy of his Secretary of the Treasury, Mr. McCulloch. This bill, as will be noticed, not only funds itself into bonds and retires from circulation the vast amount of interest-bearing debt that was in circulation among the people, but actually provides for the destruction of a certain amount of greenbacks each month. The wicked, disgraceful fact is a matter of record that this Secretary of the Treasury actually sold bonds that are unpaid at the present time to purchase greenbacks, and burned them up. Every dollar of this money so destroyed, and every dollar of this floating debt called in and funded, lessened the reward of labor in production and has brought about the distressing conditions of the present time.

AN UNFORTUNATE ADMISSION.

Mr. Secretary Windom has made answer to Senator Plumb in a letter, which we quote:

The purpose of the Secretary has been, and is, to pay out for bonds all the available surplus as rapidly as possible. In pursuance of this policy and with a view to keep the money in circulation to the fullest extent practicable, purchases of bonds were so freely made that on January 20 the available balance of public funds had been reduced to less than \$20,000,000, and this entire amount, as well as further sums amounting to about \$18,000,000, were on deposit in National banks. From this it will be seen that the entire surplus and \$18,000,000 in addition were in circulation.

The Secretary states further that "the amount now on deposit in National banks is about \$3,000,000 more than the entire surplus." This can but be considered a most unfortunate admission, either as to the methods of the Treasury or the individual views of the Secretary. The avowal that the reserves which are held in conformity with the law are loaned out through banks, must cause a feeling of apprehension on the part of every thoughtful man. Funds, sacred to certain purposes, accumulated at great sacrifice of the best interests of the people, are made the means of building up the fortunes of the bankers who enjoy the privilege of an acquaintance, perhaps only in a business way, with the fiduciary officers of the Government. The very hoards the people are told must be held at all hazards, are loaned over the counters of a few favored banks, perhaps to cover margins in speculations upon the products of agriculture. This diversion and misappropriation of funds, gives color to any attack upon the financial system of the Government, and justifies any declarations of want of confidence.

Mr. Secretary Windom may find difficulty in explaining away the charge he has provoked against himself. People will be slow to place confidence in

an official who sees in the funds held in trust for specific purposes a means of conferring favors upon a few whom he blesses with his friendship. A clerk in a private institution who should use such discretion with its trust funds would expect to be dismissed. The national bank which so handled its resources would subject its charter to forfeiture. In violating the common rules in relation to trusts, does not the Treasury forfeit all claim to confidence? Should one of these pet institutions break while using a large slice of the Treasury reserve, who would lose the difference between assets and deposits? The Government must, apparently, in such a case take pot-luck with other depositors.

THE NATIONAL BANKRUPTCY LAW.

The proposed national bankruptcy law is exactly what might have been expected, a measure of oppression. It represents the ideas of various boards of trade throughout the country, and among its provisions is found this:

Any persons owing debts to the amount of \$500 or over may be judged an involuntary bankrupt upon petition of his creditors, or a part of them, except national banks, those engaged exclusively in raising agricultural products, municipal, charitable, literary, or religious corporations, or associations, or wage-workers.

Read this over again and imagine a more wicked method of enforcing the collection of a claim, if possible. In order to cover up the real object of the bill it exempts the farmer, who only borrows money on land or chattel mortgage, and the various other institutions named, in order not to create antagonism, and exempts the pauperized wage-worker in sheer mockery at his dependent condition. Is there a wage-worker in this nation to-day with a credit of \$500? Search the country over and not one can be found. The aim of this long drawn out bill is to exempt the banks from coming under its operation, and make them a more potent engine of business destruction than they are at present. This bill does not state how many creditors shall petition, and subjects the debtor to perhaps the malice of a single person. As it is the banks which are usually the creditors can terrorize all branches of business by threats of involuntary bankruptcy. It is an attempt to force all enterprise, of whatever character, to bow humbly to the dictates of the money power. This bill will probably become a law.

THESE ARE TWINS.

From Alma (Kan.) News: From the Atlanta (Ga.) Constitution:
Republican plurality in State Democratic plurality in State
last election, 79,961. last election, 60,019.

There is now, however, a growing impression that the original purpose of the Alliance organization is to be made a secondary consideration, and that the political ascendancy of some members of it is to receive primary attention. In this State there is good reason for believing that, unless this impression is removed, the influence and good accomplished by the order will be greatly curtailed. The ill-advised action of the convention recently held at Topeka gives color to

the suspicion that the movement is not unpartisan in its real aims and purposes. The comments of the press throughout the State upon the resolutions adopted by that convention and the recommendation of Mr. Maxon for the office of railroad commissioner show that confidence in the integrity of its leaders is becoming impaired. Criticism of Alliance men and their methods of dealing with measures of public interest reveal a serious disappointment among those who have given the Alliance movement support and encouragement from its very inception. It is remarked that THE NATIONAL ECONOMIST, the official organ of the National Farmers Alliance and Industrial Union, has taken an aggressive stand against the Republican party, dealing in a captious and unreasonable manner with the consideration by Congress of the anti-trust bill and other measures proposed by Republican members of that body. Toward the senior Senator from this State it shows a hostility uncalled for and unjust, and impeaches his usefulness and the integrity of his political convictions. That the leading organ of the Alliance should deem it necessary to pursue such a course, naturally inclines the public to the opinion that the opposition of that organization is sought to be arrayed against the Administration and the majority party in Congress, and the supremacy of the Democratic party secured thereby. It is noticeable that without exception those who are becoming most prominent as objects of THE ECONOMIST's criticism are Republicans, while no Democrat has yet been mentioned by it in whom any cause for complaint is discovered. These things, taken in connection with the fact that every one of the general officers is a resident of the South and a Democrat in politics, except the vice-president, who lives in Kansas and whose political coat is of many colors, will go a long way toward strengthening the opinion that while the honest intentions of the rank and file of the Alliance are not to be questioned, the hand of Democratic intrigue is directing the movement and controlling its destinies. The power is in the organization to head off this misdirection of its efforts if it is promptly exercised; but if it is delayed, the Alliance bids fair to go the way of former organizations of like character.

Paternalism and Socialism.
BY HARRY HINTON.

It is a very significant fact that when the common people organize themselves in a body for any purpose, however laudable and just in itself, the leading journals in the large cities, not only in this country but throughout christendom, dub such organizations socialism or paternalism. These terms are used with a latitude of signification extraordinary, as that makes no difference with the writer; so they express something chaotic, frightful or dangerous. They are used as epithets of opprobrium and disgrace, and carrying with them that weight they serve their purpose well enough.

The New York Sun calls the published principles of the Farmers Alliance a "monstrous system of paternalism," and the members "hay-seed socialists." The New York Herald, more honorable than it, says some of the demands smack of State-socialism, but the Government has gone enacting laws on this line and preaching this doctrine until it should not be surprised at an "inconvenient multitude" of converts.

However, the leading idea we wish to advance is that the inevitable practice of the metropolitan journals all over the civilized world is to brand all organizations of the common people with the above opprobrious epithets. There is some motive or incentive for this which we shall first investigate.

Their meat and their sap comes mainly from the world's fortunate. To them they look for patronage. They are surrounded by the lordlings of the earth; and these lordlings abominate any change by which the "common herd" may get justice. It might possibly interfere with their plans and calculations. The present order of things are always satisfactory to those at the top in all governments. Therefore, any journal printed at a moneyed center or under the shadow of the powers that be, will always rail at any organized move made by the masses and must need frighten citizens who love peace and order by some dangerous threatening turmoil. This has invariably been their tactics, naturally from the atmosphere of their surroundings.

Again, they themselves being in sympathy with the aristocratic element of society and possibly riding in the same boat, hold all common people at a personal discount as the vulgar people, and they magnify their own personal merits to that pitch which only can be measured by the money they possess, notwithstanding the universally accepted creed that moral merit alone measures the man. They do not stop to scan the justice of their cause. Its paternity and origin is enough to stamp it with infamy. They do not stop to analyze the measures they propose, show their defects and the unfortunate consequences which might result from their adoption, but they make ready haste in condemning them as absurdities without a just reason. It is not in their line of journalism to descend to mix up with questions arising from such a source. Condemnation and ridicule in passing is all they can afford.

Moreover, these journals in a metropolitan school are educated in certain lines of thought and feeling, which causes a bias to all their sayings which they cannot overcome until something strikes them suddenly and forcibly enough to compel them to divert from their old monotonous and prosaic channels. To

them it is the success or defeat of the party. Who will get into office this time and who will be defeated? What will be the party differences, and how the bone of contention will affect the office-seekers? This is their daily food; consequently, anything occurring not concocted and preconcerted by the grand moguls of the party grates harshly on their nerves. In this they are habituated. They have also been accustomed to see the great moneyed interests control this Government to their own advantage and to the detriment of all other industries, and they have gradually fallen into the habit of believing it nothing but proper and just.

These journals are not in a position to discuss the principles of the Alliance from a disinterested standpoint. They are bound to support the oligarchy or make a journalistic failure. They are bound to support local interests, and other interests, perhaps, to which they owe their birth or continued pecuniary success. This being true, all they may have to say must be taken with salt.

The New York Herald is magnanimous enough to admit that the Government has practiced and preached State socialism. So if socialism be an absurdity or a bugaboo, the Government has been guilty of it, and perhaps this has been the cause of all our woes. But we have not discovered anything wrong, except the Government has been so managed as to oppress the poor and enhance the profits of the rich. This is all we have discovered wrong. We also find it a formidably hard matter to have any legislation passed by Congress for their relief. Whether this be socialism or not we are unable to determine; but we are inclined to the opinion that it is quite unsociable in a people's Government. Therefore these "hayseed socialists" are not the first socialists, the great New York Herald being judge.

What is paternalism? It is an act of government for the benefit of a certain class of its subjects, such as it does not award to all of its subjects alike. The Government of the United States has been guilty of paternalism from its earliest infancy. The system of protection of certain classes of industries, at the expense of the other classes, if a huge system (not "monstrous") of paternalism. Is the New York Sun ready to advocate the repeal of all tariff taxation and levy an ad valorem tax for Government expense? If so let it say so.

The pensioning of the soldiers is a gigantic system (not "monstrous") of paternalism. Is said journal ready to advocate the wiping out of the pension bureau? If so, let it say so. The contraction of the currency and other legislation in favor of the moneyed power, by which all municipal, State, and individual indebtedness was doubled in intrinsic value and millions of people bankrupted, was a hideous and monstrous system of paternalism. Is the said journal ready to condemn the course of government in this respect, and advocate the righting of the damage done so far as practicable? If so, let it say so. These are the largest, but there have been thousands of acts of the Government on the line of paternalism, yet this wise man of Gotham never spoke of them in that light. He grasps the sword, heedless of its two keen edges, to make a thrust at the Farmers Alliance, and behold his own hands dripping in blood. Should this journal aspire to be the leader of men, it must cultivate its mind and heart, for the most powerful wea-

pons in this struggle of the oppressed are intelligence, justice, and integrity, and no weakling can stand.

The Farmers Alliance is organized "after the fashion of the manufacturing and mercantile interest which they so bitterly denounce." The fashion of organizing at all must be one and the same; but the object and purpose of organizing may differ. One may organize for the purpose of levying tribute, and another in self-defense. The expression of the Sun is invidious and misleading. The Farmers Alliance have never denounced any organization. It has always been the purpose and object of such organizing they have denounced. We hold that the freest government, and the one which is nearest perfection, is the one which is both able and willing to uproot all selfish and spoliating organizations, and render altogether unnecessary the organization of the masses in self-defense. We also hold that that government is either weak or corrupt when it becomes necessary for the common people to organize against organized spoliation. We also hold that all the organization legitimately necessary for the public welfare should be assumed by the Government itself, and all organization injurious to the rights and liberty of others rigorously prohibited and punished. Let the Sun subscribe to this doctrine if it don't admire the farmers' organization. But this would be paternalism or socialism. *Justitia fiat ruat cælum.*

A Great Necessity, A Great Danger.

BY MERLINDA SISINS.

It is with a great deal of hesitancy and distrust of my own ability that I attempt, at any time, to write articles to be passed upon by so great and intelligent an audience as the readers of the public press of today; and were it not for the feeling that a great duty rests upon every one to lend a helping hand in this great struggle between plutocracy and poverty, I should hesitate to make the attempt. This is a crisis that calls for action. It has come to a time that indifference on the part of the oppressed producers is an offense, not only against the sufferers of to-day, but against the life interests of those to follow. Every man and woman should be earnestly active and prayerfully engaged doing their utmost

against the onslaught of this monster of legalized selfishness—plutocracy. This indifference comes largely from a lack of knowledge of the appalling conditions in which the producers are surrounded today, as well as of the enormity of the means used to bring about these conditions. This comes from the fact that a large majority of the producers read only the capitalistic papers. Here is the great necessity for the people to read the industrial press. From education comes evolution, and the progress of this great movement to equalize men's opportunities, depends almost entirely upon the rapidity of their education in the vital principles upon which the movement is based. Every Alliance should urge its members to substitute a good industrial paper for the capitalistic one they are now taking. This is the great necessity. Now for the great

danger. The greatest danger to the successful and permanent accomplishment of all the objects sought to be obtained by this movement, is that the producers will become luke-warm from one or both of two causes—successive good crops or palliating legislation. Nothing will make a man think there is something wrong more than hunger, and when he has a good meal he is content and in a good situation to be hood-winked. On account of two or three unfavorable seasons by drought the producers have had an additional load heaped on top of the old one of legalized robbery, which they have been carrying for years. This double load has helped to get their eyes open in regard to this legalized oppression which has been steadily enlarging its slimy methods. Should we be blessed with better seasons and better crops, although the price is low, the producer will be likely to become indifferent to the aggressions of their chief enemy—plutocracy. Again, as the scheming shysters see the movement assume the aspect of an "inconvenient multitude," they will hedge by causing their tools—the United States Congress—to pass a few acts of sop-legislation, in order to soothe the agitated feelings of the producers. Here are the two causes that will produce the greatest danger to the growth of this movement. Now, if the wealth producers will realize these dangers, and also that they have always been governed and oppressed as a class, by the non-producing classes under all governments for all ages, and also realize that in this Government, by having the right to vote and being in a large majority, they can become the governing class, which of right they should be, then there is but one thing needed to insure the permanence of this glorious result, and that is to select a name to rally under, and then no matter how good your crops or how good your wages, resolve never to let up. Inscribe on one side of your banner "The Industrial Union," and on the other side "Never let up," and then nail it to the mast-head, without rope or pulleys, so that in no event can it be hauled down, thereby insuring that the designers and workers in God's vineyard shall hold the helm of State in this Government forever, in that all shall have an equal chance in the race of life, and a just proportion of the fruits of their labor. As you love your homes and care for the welfare of your children, let these thoughts sink deep into your hearts.

Striking Straight.

The Cuthbert (Ga.) Liberal is disposed to put a few pertinent questions, which will probably remain unanswered:

The speculators and monopolists and their "hired men" are terribly earnest in their fight upon the sub-treasury scheme, which aims to elevate farmers to as high a plane in the favor of the Government as National bankers and whisky distillers. What right has the farmer to seek advantages equal with bankers? Bankers are capitalists and therefore entitled to favors. But why should common farmers, the men who have to work for a living, why should they ask favors? It is right for the banker to borrow money from the Government at 1 per cent and lend it to the farmers at 25, but—the Government lend money to common farmers! Why, that's an outrage; its unconstitutional; it's socialism; it's paternalism. Bosh!

THE NATIONAL ECONOMIST.
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NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.
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Advertisements inserted only by special contract. Our rates are twenty-five cents per agate line. Discounts for time and space furnished on application, stating character of advertisement required.

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

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

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

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

Address all remittances or communications to—

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

OATES.

When the subsidized press of the country can find a man in Congress from an agricultural district, and consequently on whom there is every obligation to be true to the best interests of the agriculturist, who is so recreant or blind to the trust reposed in him in that particular that he can by any means be induced to express opinions favorable to the schemes of those who strive to bribe Congress to enact laws whereby the exploiting class may be enriched at the expense of the farmer, such papers hold up such member of Congress to the world as a man of nerve and a hero, and advertise him from one end of this country to the other. They pander to a common curiosity to know who distinguished himself by excelling others in wrong doing or folly. The great objection to them is that there is a certain class of ambitious people who either lack the merit or the patience to achieve prominence, and who are ruled by a passion for distinction which completely controls their sense of justice to such an extent that they had rather be notorious for anything, no matter how evil, than to longer live in obscurity.

These suggestions are peculiarly applicable to the recent publication of Representative Oates, of Alabama, in regard to the sub-treasury bill and the relations between the Farmers Alliance and the Knights of Labor, in which he is notably conspicuous for three things: First, complete ignorance or something worse, of the provisions of the sub-treasury bill and the laws of the country; second, a dense and profound ignorance of the relations between the Farmers Alliance and the Knights of Labor; and third, spleen. There was absolutely no nerve about it—nothing but spleen and prejudice.

Had Mr. Oates ever read the sub-treasury bill he

could not honestly have said: "Each bill provides for a loan of money by the Government of the United States on warehouse receipts," because such statement is absolutely false, and since it is the premise on which he bases his pretended conclusion that the bill is unconstitutional, the conclusion must fall to the ground with it. The farmers of this country each year make about seven billion dollars worth of produce. This is an actual tangible addition to the wealth of the nation, but under modern circumstances everything must exchange for money, and the present volume of money in this country is not sufficient to perform all that extra exchange in the short time allowed, since the introduction of steam and electricity, without greatly depressing prices; therefore, the arrangement proposed is that the Government establish good and convenient storage houses and take charge of this wealth until demanded by consumption, and that while it has this wealth in its own charge it furnish its credit to supplement and assist the circulating medium of the country while this strain is upon it, to the end that prices for agricultural products shall not be depressed at the season when farmers must sell. This is not lending money by the Government, as it really borrows products of value and gives in exchange its notes or promises to pay which circulate the same as money. These are not given on a warehouse receipt, but when the Government receives one hundred dollars worth of certain specified kinds of wealth it issues eighty dollars worth of its notes, which are used as a circulating medium, and gives a receipt for the balance. All of these Treasury notes put out by the Government are a liability and not an asset. When a man lends he gives value and takes a note, and when he borrows he takes value of some kind and gives his note, which may be negotiable. The Government takes value and gives its note, which is negotiable, and which it stands ready to pay on demand by return of the same value borrowed. So really, according to the sub-treasury bill, the Government is a borrower and not a lender, and the constitutional authority for this Mr. Oates himself quotes. When Mr. Oates asserts that the farmers of this country desire to override the Constitution of this country he does them a very great injustice.

Mr. Oates is credited with saying "The union between the Farmers Alliance and the Union Laborers Association, in my judgment, was an unfortunate one for the Southern farmer." There is no such association and never has been, but if he means the Knights of Labor, or the Union Labor party, or the Farmers and Laborers Union of America, or if he means anything or any association that exists or ever did exist, then he has shown that his ignorance of the whole subject is as dense as it is dear to him. The Farmers

Alliance formed a union or consolidation with nothing at St. Louis, nor did it in any way change any of its principles or laws. A few changes were made in the verbiage of the constitution, but the declaration of purposes remained the same, the qualifications for membership were not enlarged, the fees and dues were not changed, but the name of the national order was changed. The constitution of 1888 had been ratified in August, 1889, by the various State Alliances, which completed consolidation with the Wheel, and made the name of the national body "*The Farmers and Laborers Union of America*." It met in St. Louis under that name, but before the close of the meeting changed its name to "*The National Farmers Alliance and Industrial Union*." A plan of confederation was agreed upon with the Knights of Labor whereby neither made any concessions whatever of its objects or principles, but each has a legislative committee, and these committees apprise each other of what its order favors, and whenever a measure receives the sanction of both orders both committees are expected to co-operate in an effort to secure its passage. This is fair, just, and right, and will be of great help to the southern farmer. Up to the present time the legislative committee of the Knights of Labor have had presented two bills that have met the approval of the legislative committee of the National Alliance; one is for the free coinage of silver and the other is for the Government ownership of telegraph lines. The sub-treasury bill, as a measure of the committee on legislation for the Alliance, has been approved by the legislative committee of the K. of L. Mr. Oates put in a saving clause when he says in "his judgment" these things are so, but he at the same time exposes himself to the suspicion of having had his judgment warped and twisted by some of the deep prejudice against the Alliance that appears in almost every issue of that apparently corrupt tool of the wealthy and unscrupulous enemies of the order, the *Montgomery Advertiser*.

If Mr. Oates allows his judgment to be swayed by such foul influences his constituents will know it. If he has purposely made the statements accredited to him, when he was at the same time in the possession of the facts set forth in this letter, his constituents will find it out. If he has purposely avoided accepting the truth as to the Alliance movement he has missed the chance of his life to be a useful member of Congress, by benefiting an honest constituency of farmers who are burdened and oppressed by class laws and need the help of true and honest men to represent them in Congress, in order to neutralize conditions that now threaten their posterity with a slavery more abject and cruel than chattel slavery ever was. When they place this heaven-born trust on the shoulders of any man, he should at least feel the weight of responsibility sufficiently to read and consider their plans before holding them up to the world for ridicule, that "wicked fools may laugh." Depraved, indeed, is he who, under the weight of such responsibility, will not accept true wisdom, no matter from what source it may emanate. Mr. Oates may rest assured that the truth, though it come from an humble farmer, is just as true as though it came from a lawyer or a banker.

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. 52.

THE PHENOMENON OF CUT-THROAT RIVALRY.

What is the influence which sometimes drives rivals in business to contests which bears a resemblance to competition, but which instead of being rivalry to see who can obtain the greatest profit, amount to strife which can inflict upon the other the greatest loss?

In the last article we saw that the claim that competition inevitably leads to such a mutual attempt to see who can throw away the most money is, in the majority of instances, entirely without foundation. The greatest examples of the combination policy, prove upon examination exactly the opposite fact; but that there have been instances in which rivalry has been pushed to a ruinous degree must be conceded. Cases are not infrequent in what are known as railway wars in which certain railways have actually carried freight for nothing by giving to their connecting lines, which were not engaged directly in the warfare, more for their share of a through haul than the entire rate. In cases where the Standard Oil Company has found enterprising competitors infringing upon its monopoly, it has been known to sell its products at actually less than the cost of putting petroleum in the market where the competition takes place, until the obnoxious rival is frozen out. Even the advocates of combination recognize that there is a difference between such form of rivalry and regular competition. Although they do not make the separation distinct, they recognize it by terming one class of competition, which is kept within the limits of the cost of service, as legitimate competition, while designating the other as ruinous or cut-throat competition. The entire contention of the combination school, however, is, that in the class of business pursued by the great corporations, the legitimate competition, if left unrestrained, will inevitably drift into the cut-throat and illegitimate kind.

But why is it that in certain circumstances and classes of business this rivalry is pushed to the ruinous degree of discarding the point where the cost of production marks the limit of reduction of values? Whether such instances are exceptional or common, it is important to learn what the influence is which induces rivals to sell their goods under certain conditions, or to perform the services of transportation, refining, or distribution at actually less than the cost to them. We may accept the division of the two forms of competition, which was made by Mr. Fink, into legitimate and cut-throat competition, with one exception. Legitimate competition, or that which bears in mind the limit of first cost as one beyond which the purpose of competition can not carry the reduction of prices, is the only form which competition as a commercial force can take. The sole pur-

pose of commercial competition is profit. Its only aim is to obtain the enhanced business secured by offering the best return for the money of the purchaser. When the rivalry goes beyond that, and resolves itself into a strife as to who can throw away his money the most rapidly, the sole purpose of competition is discarded. The strife, then, is that of cut-throat rivalry; and it will be a point of importance in determining the influences bearing upon the relative questions of combination and competition, to determine what the motive and purpose of such cut-throat rivalry is in which the rivals vie with each other as to which can inflict the greatest loss upon themselves and the whole trade.

To suppose that the cut-throat rivalry is without motive, but is simply a blind and insane tendency to carry competition to a degree which defeats its very purpose and object, is to suppose that the competitors are alike without perception of their purpose in engaging in business, or without information of the elements of cost, upon which a legitimate competition must be based. Such a supposition, as we have already pointed out, is an indictment of the most highly trained and thoroughly organized systems of commerce. The cases in which competition is most frequently declared to lead to ruinous rivalry, are those of our railroads and of our greatest manufacturing corporations. To assert, therefore, that the force of competition inevitably leads these commercial organizations to ignore first cost, and to blindly do business with a rivalry which only seeks to throw away the most money, is to assert that these organizations defeat their sole purpose of profit, and are managed by the most remarkable elements of ignorance and rashness. There is a certain foundation for this view in the fact that all the investigations into railway rates have not yet produced a single definite statement by any railroad corporation of the exact elements of cost in the transportation of freight or the carrying of passengers. But we can hardly accept such an indictment of the controlling influences of our corporate system, without a thorough examination to see whether there is not some other purpose in the apparently insane rivalry exemplified by railroad wars and the kindred examples of cut-throat competition between great corporate enterprises.

Some attempt has been made by the economic writers of the present day, to furnish theories explaining the remarkable allegation that competition inevitably leads to ruinous rivalry unless there is some external restraint upon it. Direct representatives of the corporate system do not trouble themselves with attempts to explain the phenomenon. Mr. Alexander, Mr. Fink, Mr. Blanchard and others, content themselves with making the assertion as conclusive that free competition between great corporations, will inevitably result in ruin, and finally produce a general cataclysm, without perceiving that such an assertion virtually charges themselves and their colleagues in the corporate system with ignorance, and that the sole purpose of competition is to secure a profit, or with inability to determine where the point of profit ends. Other writers who have undertaken the task of formulating theories which would comprise at least a reasonable recognition of the fact, have perceived that it is necessary to find some explanation of the conditions under which competitors discard every purpose of their business enterprise by rivalry which

leads to ruin. The result of these efforts has been to produce certain explanations which may be classed under the heads of two theories. One of them is presented in its most complete form by Professor Hadley, and has been referred to casually in preceding articles. The other is an ingenious theory of the classification of different classes of business, made by Prof. H. C. Adams, and supported by Prof. E. J. James, with the conclusion that certain forms of business assume such conditions that the legitimate force of competition can not be depended upon to regulate them, and that, therefore, some method of extraneous regulation must be imposed.

The examination of each of these theories will require at least an article by itself. It must suffice for the present to point out the inevitable bearing of such theories, supposing them to be true. The practical outcome of either of the theories amounts to simply this: that under certain conditions of organization, or by means of the stress of certain circumstances, the methods of carrying on special classes of business make those in charge of the enterprises entirely reckless of the purpose of competition; completely faithless to the trust reposed in them by those who have placed their capital in their hands; or else wholly ignorant of the cost of the services or staples, beyond which any reduction of prices or charges must inflict the loss which is asserted to be inevitable by the unrestricted rivalry of the great corporations. This is what must necessarily be done whenever the phenomenon occurs of competition being carried to the ruinous and losing degree. The legitimate purpose of the corporation is profit; the capital of the corporations is put in the hands of their managers for the express and definite object of securing dividends; the sole purpose of competition is the profit that is expected to flow from the enhanced business. When the rivalry is carried to the point where every enhancement of business secures loss, every purpose of the enterprise that is legitimately entitled to consideration is belied and cast aside. This has been said before in various forms, but it cannot be too often repeated or too frequently enforced, in order to make the perception universal, that the cut-throat rivalry, which forms one of the remarkable phenomena of the present corporate system, is entirely at variance with every legitimate purpose of competition.

Now, if the general point aimed at by the theories of those who attempt to explain this phenomenon is true, that certain forms of organization or certain systems of carrying on business render inevitable this discarding of every purpose of legitimate enterprise and defeat its very object of existence, is it not clear that it must be attributed to something abnormal in the conditions, or something entirely vicious in the system of organization? I can imagine no conclusion to be more evident than, if any system of effort results in utterly defeating and overthrowing the purpose for which the system is organized, that it shows the form of organization to be vicious, and leads straight to the conclusion that the system must be discarded. If the sowing of a certain kind of seed, or the pursuit of a certain system of cultivation brings forth nothing but a crop of weeds and thistles, the farmer would have no difficulty in arriving at the conclusion that he must discard that system and at once proceed to use other seed. I see no reason why the theories

which govern the great corporate enterprises of the day should be less logical than those which govern the operations of the humblest farmer. Yet the sum total of the theory that the condition of corporate organization, and the circumstances attending corporate enterprises, are such as to inevitably carry competition to a degree which defeats its very purpose of existence, is that those conditions defeat the object of the enterprise. If that is true, is there any clearer conclusion than that the conditions must be reformed and that the system of organization, which only succeeds in defeating the object for which the great corporate enterprises are undertaken, must be cast aside for something that will be efficient enough to constantly keep in view the sole purpose of all commercial effort?

In a limited sense this conclusion is true. The conditions attaching to the organization of railroad enterprises, and to certain of the organized industries, are so abnormal in their influence and so vicious in their effect as to overthrow the legitimate purposes of such enterprises. The entire aim of all discussion of corporate abuses, and of all efforts for corporate reform, is to make the recognition of these vicious conditions clear, and therefore to open the way to their abolition or reform. When we see that such conditions result in placing an object before the managers of the great corporations which leads them to discard the legitimate purpose of honest competition, the entire contention of all this argument will be that the conditions must be reformed so as to take away the vicious purpose, and substitute only the natural and honest reward of competition.

But the mistake of the corporate theorists is in accepting without question the conclusion that these conditions are so universal and essential that enterprise can not be carried on without them. Their method of reasoning can be summed up as concluding that because they find certain things existing, therefore they are inevitable. They do not stop to inquire whether the conditions are essential to the legitimate object of corporate enterprise or not; they even go to the extent of constructing general theories, based upon the assumption that the influences which are utterly at variance with the purposes of legitimate enterprise, are absolutely necessary. Upon that remarkable foundation of premises, which they omit to substantiate, they reason to an erroneous conclusion that the only course left is to abolish the natural influence of competition, which they suppose to produce these results that are wholly antagonistic to the very purpose for which natural competition is carried on.

It hardly needs an extended analysis of these theories to show that an argument based upon such vicious logic must inevitably lead to a wholly erroneous conclusion. We shall not, of course, be satisfied with that summary dismissal of the theories which have been devised to justify the existence of cut-throat rivalry between the great corporations, or to establish the idea that such cut-throat rivalry grows out of natural and free competition; but this general statement of the meaning of all theories of that sort opens the way to the statement of a principle which should be recognized as a universal axiom with regard to the relation of natural competition to the corporate vice of cut-throat and ruinous rivalry, as follows:

Wherever any form of commercial organization substitutes for the natural and legitimate competition which seeks a profit by offering the greatest inducements to patronage the ruinous rivalry which inflicts a loss by every enhancement of business, the vicious influence is supplied by the form of organization and not by the natural force of competition.

The Control of the Currency.

In Philosophy of Price, page 86, will be found the following:

The awful disaster of 1847, falling like a thunder-clap from a clear sky,—caused an enormous public commotion and the appointment by the House of Lords and the House of Commons of a "Secret Committee" make a solemn investigation into the affairs and management of the bank. From a vast mass of testimony taken before this "secret committee," I quote the following, confining myself to the brief extracts taken from the testimony of the chief officers of the bank; whose ability and knowledge to testify in the matter is beyond the pale of cavil or dispute. The following is a portion of the testimony given by Mr. John H. Palmer, at that time a director, and soon after made governor of the Bank of England:

"It is by producing a fall in the value of commodities in this country that you correct the exchanges?" Ans. Yes; not merely in that way, but you would bring capital into the country by a high rate of interest.

"It is by interference with trade that it acts, and not merely by the inconveniences of the bill-holders?" Ans. It causes the stoppage of trade.

"What would be the effect upon the manufacturers and laborers of the country during such an operation?" Ans. It destroys the labor of the country. At the present moment, in the neighborhood of London, and in the manufacturing districts, you can hardly move in any direction without hearing universal complaint of the want of employment by the laborers of the country.

"That you ascribe to the measures it was necessary for the bank to adopt in order to preserve the convertibility (specie payment) of its notes?" Ans. I think the present depressed state of labor is entirely owing to that circumstance.

"And the pressure of the bank produced forced sales?" Ans. It stops credit, and the British merchant sells his goods for the purpose of meeting his private payments, and brings his capital to the bank at an earlier period than it would come in the ordinary course of business. There is no means of supplying the bank with gold, excepting only the diminution of the bank-notes, which immediately contracts the currency, and lowers prices by increasing the value of money."

The Louisiana Journal (Homer) says:

The people of the north have some very grave problems of their own to solve. The south will "hands off" and permit the north to solve them the best in her power, and in return asks the same favor in regard to the problems which confront the south.

The Colorado Farmer sees cause for congratulation:

By our market reports it will be seen that the prices of oats and corn have advanced about ten cents on the hundred during the past week. This advance ought to make it possible for the farmers in Eastern Colorado to get enough for their corn that they will not feel obliged to use it for fuel.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

THE STATE EXPERIMENT STATIONS.

Persons engaged in the work of these institutions have many difficulties to encounter. One of the most obvious is that in the States in which they are located are numerous different geological formations, with different soils and climates and unequal facilities for marketing their products. Therefore the experiments in relation to the details of the art of culture carried out at the station are very likely to show results which elsewhere in the State would be erroneous in theory and pernicious in practice. But the cost for a separate station for every locality would be greater than can be met. We think, then, there is no reason why the central station may not be able to conduct researches in any part of the State, through the co-operation of skilled and intelligent agriculturists of the locality. A field, or part of a field, could be rented and the owner employed to carry out the details of the practical part of the experiments to be made. The data so arrived at could be compared with other results at the station and correct deductions made, all this at a very small outlay by the station.

There does not appear to be any reason why a valuable work may not in this way be accomplished at small cost, and in a manner well calculated to popularize the work and disseminate results of value among the people in the manner most effective; that is to say by object lessons daily set before their eyes. It is not necessary to have laboratories and expensive apparatus at every station where experiments are tried in matters belonging to the details of farm practice and the art of culture in that particular place. One station and one laboratory are all that is needed, and the work may be easily and cheaply distributed to divers localities in the manner suggested. Moreover, men of the highest practical skill may be thus induced to participate in the work of the station. Brains have been rated too low in this work, and microscopes and balances too high. That which has been called so strikingly "saving common sense" has been too scarce. If a man, not a scientific man, is put in charge of work which is scientific work, what is to be expected? If a man, not a practical man and having no skill in the handicrafts and details of the art of culture, is put in charge of the field-work of a crop experiment, what is to be expected? If the practical part is bungled the scientific results will be false and misleading.

The most skilled analyst, being a man of no practical talents and having no acquaintance with the practice of agriculture, nor with its greater or lesser economies, can not be a fit director for an agricultural experiment station. It may well happen, and for the most part does happen, that the most skilled and scientific chemist wholly fails to comprehend the significance of his own analysis as related to the problems of the art of culture, or the details of farm practice of which a chemist naturally enough understood nothing. A mere chemist is no more competent as director of an experiment station than as a practical farmer. A merely practical farmer will not do; cer-

tainly he would do better than a chemist. The director must be both a scientific man and farmer. The director who is merely a chemist, however great a chemist, need not be expected to succeed. We must take it in that agriculture is itself a great science of which chemistry is an important part, but a part only. If the director of the station is a professional chemist the work will simply be chemical work. We are not seeking advances in chemical science, but in agricultural science. The proper persons from whom to select these directors are agriculturists, learned in agricultural science, skilled in agricultural practice, and familiar with agricultural business problems and economies, and with the bearings of science on the great questions of farm practice and agricultural economics.

IMPROVED LIVE STOCK.

The systematic and scientific improvement of domestic animals is among the most remunerative branches of husbandry. It is also one of the most instructive as well as fascinating of rural occupations. It would be difficult to comprehend how great a national disaster a general deterioration of the various breeds of our live stock would prove to be. The improvement of them is, on the contrary, a very important national object. If we consider that the conversion of the products of the soil into marketable animal products may be greatly cheapened by attending to the improvement of the animal used to effect that conversion, we shall see that both producer and consumer of animal products are, whether they know it or not, deeply interested in the question of improved breeds. Not only is the cost of the product reduced by the improved breed, but its quality is at the same time greatly improved and its actual value enhanced.

Hence enlightened nations seek by all means to encourage the importation and propagation of highly improved animals. It is undoubtedly true that the introduction and distribution of improved live stock into any locality is invariably followed by improved methods of culture and better farming in general. This, of course, it requires no statesman to perceive increases taxable values of all kinds, and broadens the basis of taxation, so that the public burdens are more evenly distributed, and rest less heavily upon the unfortunate and the poor. Many nations exempt breeding stock from taxation; and to levy a duty upon imported animals which are to be used for the improvement of the native stock is a strange piece of blindness to the real interests of the people. Such a petty device could only be adopted by a poverty-stricken nation at its wits end for "ways and means," or by a set of legislators run mad with a wild frenzy of "protection," trimming their sails to catch every popular breeze, regardless of the interests of their constituents. This is true, whatever party may happen to be responsible for the conduct of affairs for the time being, and applies to all parties whatsoever.

The question before us, to wit, the improvement of the breeds of live stock, is a good illustration of how vain it is to attempt to shape and control the industries of the people through the taxing power of the government. That "frequent recurrence of fundamental principles," so wisely enjoined upon the people by the author of the Virginia bill of rights,

should be applied in this case. When the fathers proceeded to establish a government of the people, by the people, for the people, did they lodge with the Government power and authority to tax the people for such a purpose? It is a wise old maxim of the midwives that "meddlesome midwifery is bad," and that same is true of legislation. This Government does not need the revenue to be raised by a tax on the importation of animals. Nobody wants any "protection" from any threatened inundation of our markets by imported animals or animal products. Our exports of animals for breeding purposes are constantly increasing. Our exports of animal products, whether of butcher meat or dairy product, is prodigious in volume, and for a petty consideration to invite restrictions to be placed upon this vast trade and to cultivate the hostility of our foreign markets is lamentably foolish. We have a vast surplus of animal products which our people, tax-ridden as they are, and their industries stagnating from dearth of currency, cannot buy, and it must go abroad to be sold. In the face of such a situation, to be laying a tax on the importation of these animals and their products, appears to an ordinary person downright foolishness. The writer is himself a professional breeder and fancier of improved breeds of live stock, and has been for many years, and has never yet felt any need of "protection," but he does know that the disposition is on the part of those countries from which we have been compelled to import to beat the American customer if they can, and as badly as they can, and as often as they can, because our Government has systematically cultivated the commercial hostility of all foreign nations in every department of trade. If, on the other hand, we are to be restricted to a home market, and consequent industrial stagnation, prostrate with financial anaemia, the profits of our animal industries will be converted into losses, and a general deterioration of the improved breeds must ensue. We ask the Government to let our business alone; if help is proffered we decline it; if hindrance is designed we resent it. We are not one of those pet "infant industries" of the politicians, which after the lapse of years is still muling and puking in the nurse's arms ready to lapse without any exhibition of robust and virile maturity into a whining and imbecile senility, barren and fruitless. If party leaders are on the hunt of schemes to catch the agricultural vote, we undertake to show them a better way than by petty gratuities and questionable bounties. This is that better way, viz., give the people more money and less taxes, and let their business alone. This done, thereby deserving and receiving the confidence of the people, and the votes will be forthcoming, otherwise not.

Irrigation in the Dakotas.

BY A. WARDALL, OF HURON, S. DAKOTA.

There is a great interest being developed in the two Dakotas upon the question of irrigation, and particularly of irrigation by means of artesian wells, of which great numbers are being sunk. They are in a belt about one hundred miles east and west and four hundred north and south, following the James River, and at a depth of from seven hundred to one thousand six hundred feet, and flow from five thousand to thirty thousand or forty thousand barrels per

day, according to size and pressure. Most of them are four or six inches in diameter, cased with iron. The water bursts forth with great power, often exerting a pressure of one hundred to two hundred pounds, and sufficient to run city water-works, electric light plants, mills, shops, or factories, and it is hoped and believed that countless millions of horse-power lie under our feet only awaiting the drill of the magician to free it from its prison bars. I will forward a photo of a recent well at Woonsocket, South Dakota, that throws a six-inch column of water 66 feet perpendicularly into the air, and is powerful enough to run a 100-barrel flouring mill day and night the year round, without a dollar's expense after it is once started. The bar to putting down thousands of these wells each year is their great cost, running from \$3,000 to \$5,000, which is beyond the means of most farmers, and double or triple what they actually cost, and the object I have in writing this is to see if we cannot get in communication with some of our practical well men, who would come out and put down a few hundred wells at a reasonable price. Any communications on the subject will be given careful attention.

The Farmers and Laborers Light (Princeton, Ind.) sees how it is:

Since the introduction of the sub-treasury plan into both houses of Congress, by Senator Vance and Representative Pickler, the subsidized press has abandoned the heretofore adopted policy of entirely ignoring the existence of the farmers' organization. Every newspaper is commenting upon it, the greater number pursuing their usual course of abuse and ridicule. A few are trying to find arguments against it, and some handle the matter very gingerly. The farmer and labor organizations have assumed such gigantic proportions and are making their demands with so much emphasis that the press dare not longer remain silent. The truth is, the demands of labor are so just, and have been presented so earnestly, that the best men of the old parties are manifesting a desire to hear and learn. This, of course, does not please the plutocrats and their allies, the subsidized press.

The Bolivar, (N. Y.) Leader publishes an account of the origin and purposes of the Alliance, by D. F. Allen, State organizer.

To the Union and Alliance of Arkansas.

After visiting so much of your State as the time allotted and high water would permit, I wish (as your national lecturer) to discuss with you the condition. I find in the first place that while you are true to the principles of the order and ready to make any effort required of you in local matters, you have not understood the necessity for wider co-operation through a State exchange. I look upon an exchange as a necessity in every State, and I am at a loss to see how you will control your cotton without it. I see the other States are already taking action through their exchanges to secure a supply of cotton bagging. Each sub reports to the county and each county to the exchange. This gives the exchanges of the different States virtual control of the bagging market, for by acting together they become the largest buyers. If the brothers will place their orders with their exchange, and nowhere else, your exchange agents will be able to trade direct with the factories, and arrange prices between producer and consumer in the interest of both. It will cost just as much for one county to do this as it would for the whole State, and so with all heavy supplies you wish to buy. Take

wagons and plows, you can make up orders in your subs, send to county, and let them be sent by State agent direct from factories. You would be surprised at the difference. Then we want to control this year's cotton, and to do so we must have information—how much cotton planted and its condition—from time to time, as the reports are sent out by the national. This report must come from each sub, and be exact in regard to information asked for in report sent. These go to counties, then to State agents, who make averages for dates, and sends to the national statistician. The result is compiled and sent back to subs through State and county, so that each member is better informed as regards cotton than any outsider.

If we find it necessary to hold, your exchange, with a good paid-up capital, would be in position to act as your banker in obtaining advances on your cotton in large amounts at much less rate of interest. One dollar from each member of the Union and Alliance would make an amount sufficient to commence with, and I urge each of you to hand your dollar to your sub secretary, and he to the county, taking his receipt for same, and have him send to State Agent Morgan at once, so that Arkansas may be in line with the other cotton States. Any one who pays \$1 and buys \$10 I will guarantee will save his dollar. Now let each county president call on the subs to take action on this matter at once, and the exchange of Arkansas will be an accomplished fact. All pull together and at the same end of the rope, for in union there is strength.

There is nothing more needed in our order than information, and we are compelled to depend upon the newspapers for it; so you see the necessity that we support our organs, as we cannot depend on outside papers to teach the principles of our order. All over your State I see it misrepresented, and accusations made against it which are false in every respect. I know nothing more to be despised than a flippant and false criticism by newspaper editors denouncing an organization composed of farmers for the purpose of bettering their condition—socially, morally, mentally, and financially. I have seen so many false statements coming from some of your largest papers, who ought to be informed, that I am led to believe that we must depend on the organs of the order alone for information, and I call your attention that it depends on you as to whether your organs succeed or not. You must subscribe for them. This is a necessity. If we ever expect to succeed in our aims we must educate, and the organs of our order are the only source through which we can do so. I found many of the brothers who did not understand our sub-treasury bill, introduced in the Senate by Senator Vance, of North Carolina. If they would take THE NATIONAL ECONOMIST or their State organs they would understand and appreciate its great benefits to the agricultural classes, and go to work for it by demands upon their Congressmen and Senators to vote for it. This measure should be discussed in every sub-Alliance and Union in the State and action taken at once to have it become a law, for it will relieve the producer from the power of money to oppress. Brothers, support your organs, spread the truth, have patience and perseverance, and you will liberate labor from its present condition of servitude. It is presumed that men will vote for their inter-

ests, and, therefore, to educate the members in regard to what is best for them politically is the object of our order; therefore, we as an order not only permit the discussion of political questions, but insist upon this free and full discussion from a non-partisan standpoint, and without any one impugning the motive of another. But let only one thing be considered, is it best for the people? Be earnest and honest in your discussion, then let a majority rule and all pull together. This is the most intelligent action possible, and the sooner we lay down every consideration, except our interests, the better. Now for a brother to refuse to vote for any man on account of the party he may belong to (although he may be honest, intelligent, and willing to support our demands) would at once destroy our unity, render our effort abortive, and the success of our objects impossible. So to vote for one simply on account of the party to which he may belong (although he was unfit morally and mentally and not in accord with our demands) would be productive of the same results. I appeal to you, my brothers, to rise above considerations of party absolutely, and cast your ballot for those who will represent you by carrying out your demands. The same conditions apply to one of the brotherhood; never consider that one has a right to expect support on that account. The same questions must be considered, is he honest, intelligent, and will he stand by the demands? If not, then he can not honestly represent the farmers of the country, for your demands are the expressed wish of the majority, and if we ever make our weight felt in the governing of our country, we must respect the rule of the majority and become a unit. I wish I could impress upon you the importance of laying aside all selfish ambition, all party and sectional strife, and like true patriots, who love our country, our homes and family, work for their advancement. Speak for them, work for them, come what may, vote for them like men. Parties should serve the people, not the people parties. The time has come when we must choose between country and parties, and I believe the choice has already been made, and from this on the freemen of these United States will vote for right against wrong wherever it may be found, in or out of party. There is a mighty revolution upon us that will redeem the Government of our country from the control of corporate power, where it never should have been, and place it with the people, where it should always have been, and make it a Government of the people and for the people, as our forefathers intended it should be, with equal rights to all and special privileges to none. Let it come. If it destroy all parties and save the people, God speed the day, and I believe all good men, no matter what vocation they may follow, will say amen; for surely we have had enough of fraud and corruption to disgust all honest men and cause them to turn with joy and greet with outstretched arms this grand effort of the people without regard to section, party or conditions, to redeem our country. Then, brothers, let us not attempt any class measures or politics; never make nominations in our secret counsels; throw our banner to the breeze—that white banner of peace with our motto of equal rights to all, special privileges to none, inscribed upon it. Let every man, no matter what his vocation, fall in line and work and vote with us to redeem our country.

BEN TERRELL.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Weekly Union is the name of a neat seven-column paper, the first number of which has just come to hand, published at Luray, Page county, Virginia, devoted to the work of the Alliance. It is located just where a true exponent of the principles of the order is needed, among a strong Alliance people. It says:

Trusting ever to be found worthy of our calling, advocating the principles of equal rights and good will toward all men, our little boat is now launched and subject to the breakers of the troubled sea, but we hope to see her beacon light ("In Union there is Strength") towering high above the billows, as she wends her way by reef and rocks to deliver her message of victory and liberty at last to the toiling masses of a free country.

The Shreveport (La.) Times says:

Boycotting seems to be a popular recourse. It is quite a fad, even with some religious people.

Our Opinion (McPherson, Kan.) is for a third party:

Great reforms can only be realized through new parties. So it has ever been in this country from the famous Boston tea party to the emancipation of the negro. And there never has been a political party that successfully carried out two great reforms of a different nature.

The Texas Labor Journal (San Antonio) evidently thinks there are too many parties already:

Partisan politics is the curse of the people, and they are slow to learn that no partisan can be a patriot. The partisan has no interest in the welfare of the masses. He has no politics; but everything is sacrificed in the interest of his party, though its record may be as heartless as death and as cruel as the grave.

So doctors will disagree. The Journal says:

It is estimated that the debts of the country amount to something like thirty-five billions of dollars; in other words, the liabilities of the people amount to about half the value of the national wealth, which places a burden upon labor which it will not be able to bear much longer and retain even a semblance of liberty. Place the interest on this amount at 5 per cent, which we think a very low estimate, and the interest alone amounts to \$1,750,000,000, or some two hundred millions more than the circulating medium of the country.

The first issue of the Labor Chronicle, a Sunday paper published at Paducah, Ky., is at hand. Its belief is incidentally stated:

The debts of the country would scarcely weigh as a feather if all the labor were employed. Indeed, this country could better afford, in an economical view, to support 1,000,000 soldiers in the field than to support its army of 3,000,000 that falling prices have conscripted into the ranks of non-producers.

The Lebanon (Kan.) Journal has a political bias which does not take the point from its question:

That time has certainly come when the farmers do not know which would pay them best, an overproduction or an underproduction; a good crop, or a bad crop. But there are plenty of good, shrewd men among the farmers that know that "the present condition of things" do not necessarily have to exist on American soil. The wage-workers of America are not quite ready to be put on the auction block. But, seriously, will some of our astute Republican statesmen tell us thus early in the campaign which argument will be used this fall: underproduction or overproduction?

The National Advance (Milwaukee, Wis.) tells the story of the change which is certainly coming over the agricultural parts of the country:

The Tariff Reform League of Indiana is having the records of that State examined with a view of ascertaining the amount of indebtedness. It is reported that three competent men have made a thorough examination of the records

of Tipton county, one of the most fertile in the State, devoting thirty days to the inquiry. The inquiry covers the time from 1844, when the county was organized to January 1, 1890. In 1850 the unsatisfied mortgage indebtedness was \$156,129. In 1860 the amount had decreased \$8,000. In 1870 the amount of mortgage indebtedness had increased to \$607,000, in 1880 it was \$802,148, and at the end of 1889 it was \$2,287,435. Besides this the county owes \$164,000; the tax lists show \$101,000 of delinquent taxes, and there is an indebtedness uncovered by mortgage of \$750,000, making a total indebtedness of \$3,322,433, on which the people must pay interest. The tariff reformers try to make it appear that all this indebtedness was caused by changes in the tariff. But tariff and free trade have very little to do with this question. Men will be squeezed by usurers under protection and robbed by money monopolists under free trade. We must look deeper for the cause of the trouble and not bother with superficial questions. The Advance proposes to dig at the evil and show it up from time to time.

The Clark County Democrat (Clark, S. Dak.) says:

To one who reads and has become acquainted with existing circumstances, it is apparent that a change that will assist the laboring class is necessary and at once by ballot to avoid a change by desperate means. The people will not submit to starvation when they produce all the wealth of the nation.

The Advocate (Topeka, Kan.) is full of good things. It says:

In answer to parties who are so anxiously inquiring if the Alliance is going into politics we say no, not if by that they mean, will the Alliance go into caucusing, conventioning, and machining of a new party. But if it is meant, will the Alliance use all legitimate means to secure the nomination and election of men who will stand squarely, avowedly, and unequivocally on the platform of their State and national demands, then we answer yes. The slang editor is out, but when he comes in we will get him to say, "Do you catch?"

Georgia is one of the States where the Alliance is accused of going into politics. The official organ, the Southern Alliance Farmer (Atlanta) says:

The Alliance does intend to make itself felt in politics. It intends to see that its members vote for no man who will not pledge himself to our policy. Let the candidate or newspaper who doubts this back his judgment and find out. "Dere's nothin' like a little sperence."

The Alliance Union is the name of a new paper at Eureka, Kan., devoted to the order and reform. It says:

Our readers would be surprised at the number of people living within the corporate limits of Eureka who are in sympathy with the farmers. We cannot mention the names, but have heard of some within the last two weeks who have so avowed themselves who none would suspect as entertaining such opinions. Others will sympathize with the farmers "for revenue only," while others mount the money and political prestige they have lost. "It takes all kinds of people to make up a world," and we have them in Eureka.

The Farmers Alliance writer in the Farmer and Fruit Grower (Jacksonville, Fla.) says:

Let every Alliance man understand that in sustaining the action of the Atlanta Alliance Congress, he is saving for the farmers of the cotton States \$31,000,000, which they have been robbed of heretofore; and that he is building up cotton factories all over the South, to give employment to the poor children of Anglo-Saxon blood. It will be treason to use jute in any form.

The Industrial Age (Duluth, Minn.) puts out a strong proposition for land reform, which though not new, is exactly in the right line:

The Alliance proposition in Kansas that a moderate homestead shall be exempt from taxation and the amount added to lands held for speculative purposes, is absolutely in the right direction. Why not give it a general application? Exempt a home to every person from all taxation and make up the difference by an increased assessment upon the lands held for speculative purposes. Our present system increases the taxation of the home just as soon as it is improved. This is a fine levied on the home-maker for doing that which is a benefit to the whole people. While the lower rate of taxation on vacant real estate is, in effect, a bonus paid to speculators for keeping lands out of use. If any kind of

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?

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