**Laws of Financial Death.**

1. The law putting two exceptions on the GREENBACKS passed Feb. 25, '62.

2. The NATIONAL Bank Law, passed Mar. 25, 1863.

3. The Contraction Act, passed March 6th, 1869.

4. Credit strengthening act, passed March 18, 1869.

5. Funding National debt, passed July 14th, 1874.

6. Demonetization of silver, passed on March 12th, 1873.

7. The resumption act, passed Jan. 14, 1874.

# Dawn

Keep in the Middle of the Road.

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ROBERT A. TURNER, EDITOR.

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## IRREDEEMABLE MONEY.

### An Eminent French Witness Gives Testamony.

MILWAUKEE, Wis.—S. F. Norton: Can you give us an example or instance where paper money, without a coin basis, has ever been used? There are so many people that cannot comprehend the idea of a paper money without a metallic base. Answer and oblige,

A. S. WALLINGFORD.

ANSWER.

Right here in the United States there is a case exactly in point.

From Feb. 25, 1862, to Jan. 1, 1879, there was a paper money that had not even the pretense of a specie basis.

That money fed, clothed and equipped the army, and carried on the business of the whole country.

And, in spite of the war, this nor any other country ever made such rapid progress in the development of its resources and its productive enterprise, in the history of the world, in the same length of time.

For once the people were rid of the incubus of a specie basis money.

For once enterprise was not shackled to the putrid corpse of a barbarous age.

For once the hideous nightmare of specie basis fraud did not sit upon the breast of the commercial world.

The life-giving greenback had no pretended specie basis till John Sherman inaugurated his pretended policy of resumption. From that moment trade languished and decayed—till revived by the act reissuing greenbacks as fast as redeemed.

Since 1879 there has been a pretended specie basis for greenbacks—but it is a fraud and a laughing stock. Not a man of common sense in the United States but what knows, that there is no real coin basis for our greenback money—no man cares whether there is such a basis or not. The credit of the government is ample basis; the law making them a legal tender clothes them with ample power.

Another instance is to be found in the recent history of France.

In Nov. 1871, gold was 2 1-2 per cent. above par in France.

In order to satisfy the demands of trade, start the wheels of industry and set the people to work to the end that the German indemnity of one thousand million dollars could be paid, it was proposed to issue more paper money—not withstanding the fact that there was already the large sum of $475,000,000 outstanding, and gold commanded a premium of 2 1-2 per cent.

The proposition to issue more of the "depreciated stuff" met with fierce opposition.

Among the opponents of the plan of "inflation" in France was Victor Bonnet. He insisted that it would still further depreciate (as compared with gold) the value of their paper money. He called it a heresy, and brought to bear against it all his powers of logic, sarcasm and ridicule.

But Bonnet and his associates, all of whom were undoubtedly honest in their assertions—failed to prevent the consummation of the project.

Happily for conquered France there were Greenbackers enough in the French Parliament to carry the measure through. They ignored the counsels of the Bonnet bullionists and contractionists and voted an increase of $30,000,000.

Bonnet was horrified. He fairly roared and howled. He declared that France was financially and commercially ruined.

He predicted all sorts of disaster.

But what was the result?

In less than *three months* the premium on gold fell one per cent.

Bonnet was silent.

Subsequently, there was $150,000,000 more issued—making upwards of $600,000,000 altogether, and lo and behold the premium of gold disappeared altogether.

Bonnet was nonplused and dumbfounded.

He declared that any further inflation would increase the premium of gold—and that the paper money would be worthless.

At last he began to think and reason.

He opened his eyes, crawled out of his hard money shell and in a pamphlet describing the matter he said:

"Who would have dared to believe that in the midst of the greatest calamities which ever befell a nation, with an enormous ransom to pay a foreign country, and with great domestic losses to repair, a credit circulation (paper money) could be maintained four times as large as its metallic base and that it could reach the enormous figure of $600,000,000 without depreciation!

"Such a phenomenon has never before been witnessed in the financial world!

"It apparently reverses economical and financial principles which the best authorities on the subject have hitherto labored to establish!

"Is financial science assuming a new aspect, and proving that we have been all wrong in fearing irredeemable paper money?

"Are we to learn that ideas have made progress, and that we are on the eve of realizing that famous 'wagon way through the air' spoken of by Adam Smith and Ricardo—a paper money circulation without a metallic base?

"This is the new problem which agitates the world—and as to which there is more uncertainty than ever after what has recently taken place in France."

* * * *

In france there was no distinction against paper money; it was not stabbed in the back with an "except." It was in law equal to gold; and being equal in law it was equal every other way.

If "such a phenomonon has never before been known in the financial world," as Bennet exclaims, it is because the experiment had never before been tried.

So thoroughly wedded is the world to the heresy of specie-basis money—that it is as impossible for it to comprehend the idea of a purely fiat paper money as it is for the old negro preacher in Petersburg, Va., to comprehend that the earth revolves—still persisting that "the sun do move."

Here there are two instances in modern times in which an irredeemable paper money, without a specie-basis, has proved to be not only the best money of modern times, but the savior of two great nations.

This is indeed the problem of the age—to solve which is one of the missions of the Populist party.—*Chicago Sentinel.*

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