

IOWA STATE MEETING.

The Able Address of President J. M. Joseph Before the State Alliance.

The following is the full text of the annual address of President J. M. Joseph, of the Iowa Farmers' Alliance and Industrial Union:

Brothers of the Farmers' Alliance and Industrial Union: I congratulate you as representatives of the farming interests of Iowa for the bountiful season now drawing to a close. The splendid feast now spread throughout this State—the result of the labors of an industrious people, a fruitful soil and a beneficent providence—should awaken in every breast a lively appreciation of the many blessings with which we are surrounded and admonish us of the many duties that devolve upon us as good citizens.

The duties of the farmer include very much more than the cultivation of the land and the production of crops. Upon him more than upon any one else depends the character of public institutions and the welfare of all classes of people. With him mainly rests the responsibility of good and bad government.

That there has been a great awakening among farmers during the past few years in matters pertaining to their rights and duties everybody knows. The Farmers' Alliance is the result of the dissatisfaction produced by an unjust system of distributing the benefits and burdens of public institutions.

There is a widespread belief among farmers that in our ha-ta as a nation to be rich and great, in our rapid march from a very simple to a very complex civilization, we have lost sight of that splendid stone our fathers carved with infinite labor, and placed in the foundation of our plan of government, equal rights to all—special privileges to none. This is the block of political granite upon which not only the Farmers' Alliance, but republican government itself must stand.

Let us not forget that we are the children of a race who believed in the divine right of kings. That we have inherited many of the prejudices and superstitions of an ancestry who never rose to the comprehension of the splendid fact of the fatherhood of God and the brotherhood of man, and that we as a people have never yet awakened to a full appreciation of the duties and responsibilities of a republican government. The mighty influx of foreign people who flock to our shores as to a house of refuge, bringing with them the customs and traditions of caste, of classes, of privilege, has exerted a powerful influence in moulding our industrial institutions.

Statesmen of all parties, while subscribing to the fundamental doctrines of our government, are found advocating measures and policies subversive of them. For a score of years they have been planting seeds throughout our industrial and commercial system utterly at variance with the doctrine of equal rights. To-day we are cursed with privileged classes existing by virtue of legal enactments to as great a degree as many of the nations of Europe. We have broadened the foundation of the splendid temple our fathers began, but we have not raised its walls, except with a single stone, in 100 years. The emancipation of the black man is the only achievement in the interest of humanity worth recording in this century.

Monopoly is the arch enemy of industry, the political monster of modern times. It has come to be a constant, ever present menace to free government. It rears its head in every field, it clutches at the throat of every honest toiler. It besets the public highways. It infests every market. It is entrenched in court and congress alike. The horse leech's daughter of holy writ was not more rapacious. As a political force, it dominates both the great parties. Its tendencies are toward arbitrary, despotic government. The home of this monster is in the modern contrivances we call corporations.

The forces of nature, the natural products of the earth, the equal gifts of God to all the children of men are walled up by the omnipresent corporation. The goods, the rights, the benefits made matters of corporate ownership and distributed to the few while the many are shut from a fair participation.

Public instrumentalities, the railroad, the telegraph, the financial systems drift enormous revenues into private coffers while they exist under a nominal condition of public control. This condition is an economic absurdity.

No solution of the great problem of equitable distribution can be found outside the public ownership of public instrumentalities, public ownership of natural forces and materials.

Partisans have raised a ghost and named it paternal government forgetting that the people are in theory and ought to be in fact the government, forgetting that except for the paternal care of government there would not be a corporation on the face of the earth. Yet partisans build no adequate defence against the combination that clutches labor by the throat, that glowers upon industry with the eye of polyphemus, sucking up her substance to the wall of bare subsistence.

The \$60,000,000,000 of wealth in our country is the result of the genius and industry of all the ages gone. It is a splendid legacy to leave to posterity. That a small minority who have contributed nothing toward its accumulation should inherit the whole of it, to the exclusion of the great majority is not only a flagrant injustice upon the face of the matter but it marks the fact that in human affairs there are yet whole realms in the matter of equitable distribution, unexplored; matters of vast concern to those whom we call farmers.

The Farmers' Alliance as an organization is the natural result of the neglect of political parties to consider economic questions from the standpoint of merit rather than of party advantage. The farmers have become weary with the long drawn quarrels over minor matters and the barren contests of mere place hunters.

The animosities of a contest fought to a finish many years ago ought to have been buried long ago, and would have been except for the partisan who found political capital in keeping alive the enmities and jealousies of the sections against each other.

The Alliance seeks to reunite the people into one harmonious nation with equal rights for all.

It seeks to limit the power and curb the rapacity of corporations. It seeks to reform the industrial system to the end that the products of industry may be fairly distributed. Its task will not be finished till these results are achieved. It was not born in a night nor will it perish in a day. It is a protest against plutocratic tendencies, against extravagant public expenditures, against unequal taxation, against the spoliation of the working classes, against the exploiter and speculator in the products of the field, the mine and the factory; against the whole class who make a monopoly of money and live by usury, against the private ownership of public instrumentalities, against the whole policy of inflated capital and bonded debts.

The Alliance demands a sufficient volume of money to enable industry to exchange her products on a cash basis to the end that labor may escape the burden of interest that it eats up her sustenance in maintaining the credit system.

The Alliance recognizes that the government monopolizes the creation of money, and insists that this fact carries with it the duty to provide a sufficient volume of money. The Alliance holds that the volume of money is not sufficient as long as average interest is above the average profits of industry.

The percent of increment to national wealth is the natural interest rate. Interest could not rise above this rate if industry was free to provide her own medium of exchange.

It is upon this principle the Alliance bases the demand that the government shall exercise the power it monopolizes in the creation of money and perform its duty to the industries by expanding the volume of money until the interest rate falls to its proper level. This percent of increment to national wealth has fallen below 3 per cent. on an average for thirty years. The fact that current interest has averaged at more than double the net profits of wealth production throughout this same period cannot be accounted for on any other ground than that the financial system from top to bottom, from side to side, is permeated with the poison of monopoly aided, encouraged and defended by the government itself.

The Alliance demands that industry shall be emancipated from the domination and spoliation of the money centers by enabling her to provide her own medium of exchange.

There are many indications in all parts of the civilized world that a new awakening, a new day, a new era is soon to dawn on the affairs of mankind, old customs and methods have fallen far behind the march of progress. The discoveries of science, the progress of invention, the trained mind, the skilled hand have increased the possibilities of human effort during the past century more than the preceding 1,000 years. The distribution of the benefits of civilization equitably among the children of men has been neglected. This is the great question of the future, the great task immediately before us.

It includes a readjustment of the status of all labor-saving instrumentalities, of natural material and natural forces to the end that the plutocrat, the monopolist, the corporation may not appropriate to themselves the benefits of the things an all-wise providence created for the common support of his children. No person or combination ought to be permitted to monopolize either the forces or materials of nature or the benefits of discovery or invention.

Said Kumbold as he went to the scaffold, "I have never believed that one part of mankind were born with saddles on their backs and another booted and spurred to ride them."

Customs and institutions inherited from a semi barbarous ancestry, party theories and maxims, even so-called principles of government, may be done good service in an age gone by and be utterly unsuited to the civilization and conditions of to-day. Many old notions have long outlived their usefulness. We are to-day as a nation holding fast to a notion that has been an absurdity from the beginning. It is this; the government, although possessing the sole power of creating money, cannot create any for itself but must be a borrower. This is scarcely greater than the other, that an interest bearing bond is a better foundation for paper money than actual property.

The farmer and mechanic may well ask each other why they should be put to the expense of maintaining a third class of people digging metal counters from the earth to enable them to exchange their products, or why they should be burdened with an interest eating bond as a foundation for a circulating medium, when they could furnish the security for the medium of exchange themselves at one-fourth the expense.

Two past six months has lifted the fog sufficiently that all may now see where the center of the great industrial battle is to be. Politicians may beat the bush yet a little longer over an insignificant difference in the adjustment of the tariff, but the real contest cannot be long delayed. We must fix the status of the ruling force in America.

Shall it be money or manhood? That is the question. We must settle the question whether our medium of exchange shall be a great national labor saving machine, as great as the nation's arms, as sound as the nation's heart, or whether it shall continue to be a tool of monopoly, nominally under public control but really controlling the people, and exacting tribute from industry by the robber's rule of "what the traffic will bear."

The principle involved in our Sub-Treasury demand is in perfect harmony with republican government. It is the

bow of promise to the wealth producers everywhere, for it proposes to emancipate industry from the domination and spoliation of the money lender. Depend upon it, it is our citadel and house of refuge, we must not surrender it. The best hope of our children lies in the promise of a more equitable system of distribution. It cannot be realized without a revolution in the status of this great distributing instrument. Industry must be empowered to create the medium of exchange at the place and time where it is needed. Each industrial center ought to be a money center to the extent of its own needs. There is no more reason for this whole nation being dependent on New York for the use of this indispensable tool of commerce, than that all the spades and plows should belong on Manhattan Island and be let for hire to the highest bidder.

Fortunately the Sub Treasury is so simple, just and reasonable that it commends itself to all who examine it with an honest purpose.

There are differences of opinion as to details. But the principle that industry should furnish its products as security for necessary money and obtain that money direct from the government has not been and cannot be defeated.

The plan is in no wise sectional nor tinged with favor to any class, it is as broad as the industries of the people. The question is, shall the money system stand upon the property of the people or upon the debts of the people? Stand upon the same economic law underlying the labor saving machine, and bear as lightly as possible or shall it continue to be an instrument of monopoly bearing as heavily as possible?

Shall the people in harmony with true democracy own and control the medium of exchange, or shall a handful of plutocrats at the money center own and control it, and through it dominate the government itself? Brothers, in the issue now joined between industry and monopoly let us be vigilant and brave, looking upward and forward. There will be a contest soon, the most memorable in the annals of mankind. The contest is to determine whether public instrumentalities, the taxing, the transportation, the money systems, shall continue to be poisoned with monopoly, continue to enfold the industries of the people like giant amebas, or whether they shall take their proper places as simple distributing agencies side by side with industry on the common platform of republican institutions, the platform of equal rights to all, special privileges to none.

In this contest we may not hope to succeed until the people thoroughly understand the matter in issue and realize the necessity for a readjustment.

The average citizen is a partisan. His condition is one of profound apathy on these economic questions. Too often he is a mere tool in the hands of party papers and party bosses. He must be instructed, he must be visited in his home. He must be awakened to a sense of his duty. Let us make such an earnest call to duty, that the plow man will stop in the field, the mechanic lay down his hammer to listen and learn of these matters that cannot be neglected, except at the peril of free government itself.

Who are the enemies of the Alliance? Their name is legion; their power immense; the party newspaper almost without exception; the great dailies of the money centers. The press has come to be for the most part a business enterprise, run for money or political plunder. Its influence is for sale. It manufactures public sentiment on contract. Thoroughly venal and mercenary, it would strangle the Alliance for the money to be had of the plutocrat and the corporation.

Money lending institutions without exception are our enemies. The business exploiter and gambler, the party leader and chronic office-holder, would all rejoice at our fall and finally the great mass of the people of all occupations who refuse or neglect to think for themselves but drift along in the current of party politics.

The education and conversion of this great class is the only hope of the Alliance. All the others must be met in the open field and fought to a finish. It is idle to waste time parleying with the forces that emanate from the great parties. They must be defeated at the ballot-box. They will listen to nothing else.

Our task is a great one but it is a simple one. It consists in laying before the people the justice of our demands, the need of united harmonious action, the common people are honest and conscientious, but they are blinded by the smoke of sham party battles and kept in ignorance of the economic conditions under which they live.

It is our task to preach the gospel of the Farmers' Alliance, and it is our business here to-day to ascertain our present status, to counsel together, to devise ways and means for carrying forward the work. It will require the earnest effort of all the brethren; it will require a sacrifice of both time and money to build up our organization until it will be such a force as will command the attention and compel the respect of its enemies.

Our greatest task is to create a public sentiment in harmony with true principles of political economy. We need not expect assistance from the great party press of the cities.

Our chief school and hope lies with the Sub-Alliances. Let us plant these in every neighborhood, push the Alliance press and literature into every home. Let us renew our subscriptions to the party press of either party that misrepresents or opposes our demands. Let monopoly support the monopoly press. We farmers and mechanics cannot afford to do it any longer.

Let us stand firm by the colors of the Alliance. Let us cultivate a spirit of fraternity with all kindred organizations. Let us put the Alliance above our fealty to any political party, and in the great contest for the emancipation of industry from the domination of monopoly, let us rejoice in the promise of battle and the hope of victory.

BE ON GUARD.

Wealth's Attempt to Escape all Share of Public Burdens.

Strenuous Efforts to Keep the Load of Taxation on the Farmers' Shoulders—Mean Tactics for Effecting a Dash for Purpose.

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Gold is a wonderful clearer of the understanding; it dissipates every doubt and scruple in an instant, accommodates itself to the meanest capacities, silences the loud and clamorous and brings over the most obstinate and inflexible. Phillip of Macedon refuted by it all the wisdom of Athens, con-founded their statesmen, struck their orators dumb and at length argued them out of their liberties.—Addison.

The above quotation from a famous writer will serve as a text for some comments on certain methods of today. Gold is evidently referred to in the capacity of money, and by its use a country was "argued out of their liberties." This was centuries ago, and the people spoken of were the greatest and grandest in the then known world.

Shall money argue us out of our liberties to-day? Are we to sell our birthright—our heritage of seven years of bloody revolution and desperate struggle to a power that seeks to foist upon us the most degraded slavery—the slavery of intellectual prostitution and cringing servitude? Do you know that powers have been at work and are working this very moment to establish laws that will favor a few and make the many pay everlasting tribute to them?

Readers of the Reform Press are already familiar with the Hazzard & Buell bank circular. The first is an appeal to all bankers to form a compact by which the banks can control bonds, and through them the bank issue which now largely constitutes the circulating currency of the country. The second is a confidential letter to all banks to sustain such papers as will favor the banking system, and to withhold patronage from such as will not oppose the government issue of money. These two have been the "bankers' twins" for some years past and have been a living exposition of the selfish and exacting and oppressive methods of the "money power." But now this "power" has another issue in the shape of a private and confidential circular, issued under date of July 14, 1891. It is given below.

There is in the great city of New York an organization known as the New York Tax Reform Association, its headquarters are at room 99, 111 Broadway. One of the planks of the association reads as follows: "Mortgages and capital engaged in production of trade should be exempt from taxation, because taxes on such capital tend to drive it away and put a premium on dishonesty and to discourage industry."

Another plank reads as follows: "Real estate should bear the main burden of taxation, because such taxes can be most easily, cheaply and certainly collected."

These two planks present a marvellously curious principle of reform. They mean just this: That the owner and cultivator of land—the producers of material and wealth—shall be taxed, while capital, bonds, interest-bearing mortgages and notes shall not be taxed. To speak a little more plainly, these planks mean that real property shall be taxed, while wealth shall not be taxed.

There is scarcely any necessity for an association for the purpose of bringing about such a state of affairs, for it exists already. In round numbers the wealth of the country is \$60,000,000,000. Something over \$20,000,000,000 of this is returned for taxation, and of this \$20 per cent. and pay taxes on it. The other \$40,000,000,000 of wealth pays no taxes at all.

Now, this Tax Reform Association of New York is afraid that something will be done to make this \$40,000,000,000 pay its proportionate share of the public tax. Justice and equality demand that it should pay tax. It has the same protection from law that other property has, and its value is sustained by the same power and agencies. Every able bodied man in the country is subject to conscription in the matter of bearing arms and fighting to protect that property and wealth, if such protection should be needed. Why then should it be exempt from its proportionate share of the public burden?

But such organizations as the Tax Reform Association do not stop to consider the justice of the thing. They are governed and guided by greed and selfishness and avarice. They work to avoid helping and aiding the very society which gives their capital and wealth its value. How do they go about it? The following confidential circular letter, a copy of which has fallen into the hands of the Reform Press Bureau, will show:

NEW YORK, July 14, 1891. Sir—The history of the late session of the legislature shows that unless prompt and very efficient steps are taken the next one will bring a stringent listing tax bill.

These bills require a sworn list of all property, bonds, notes, accounts, stocks, with their cost and worth; an inventory of all money in hand and all debts, and to whom due, and will doubtless provide, like bills in other States, for spies, rewards for informers and penalties for false oaths.

Does this seem impossible? Unless organized effort be opposed by organization some such law is not only possible but certain.

injury of such legislation. A rough calculation shows that there are over 2,000 such doing business on a large scale in New York.

We have no salaried officers and our expenses are small, but printers and clerks must be paid. The names of our trustees are guaranteed that your money will be well used.

Will you, sir, ask your directors to do your part?

At any rate, will you see that your concern in some way contributes twenty-five dollars?

Stamped envelope is inclosed and a reply and the decision of your concern requested, as it will save personal solicitation.

This is business, not politics; insurance, not benevolence. Yours truly,

THOMAS BERKELY,

Chairman of Finance Committee.

Now, we do not attempt to make the Tax Reform Association responsible for this circular. The association as a body may know nothing about it. But when the platform of the association is read, it looks very much as though some agencies were at work to put the plans favored by it into effect. The writer does not know Thomas Berkeley. But such documents as the above are being sent around, and they should cause every Allianced man and patriot in the country to be wide awake and on the alert.

Keep your eyes open. Despise not seemingly small things. Be sure of the man you select to legislate for you. If there ever was a time to be on guard and to determine to act independently, now is the time. Every man is expected to do his full duty.

H. W. AYER.

MONEY MISNAMED CAPITAL.

MR. EDITOR:—Money is the creature of government and only a representative of the value of labor products. Labor produces value. Money represents value. Capital is not money. Capital is God's free bounty to all mankind, consisting, primarily, of the earth and its natural products, created by the labor of Jehovah; and secondarily, of dwellings, farms, shops, mills, factories and every other product of human labor.

In the early ages of the world there was no such thing as money. Barter was the primitive method of exchange; but as the human race began to spread over the earth, it was found difficult to exchange the products of the soil on account of the lack of transportation, and so necessarily gave rise to the use of gold and silver for this purpose. The security of these metals and their non-corrosive qualities, suggested their use as a medium of exchange, being easily and conveniently transported from one locality to another, but yet only as a commodity, weighed out for the purpose of measuring some other commodity of consumption.

In process of time the early kings of the earth began to see the increasing and universal power of these metals to represent, measure and exchange all other products. Warfare between tribes and petty kingdoms was almost constant, and carried on, mainly, to secure possession of this treasure. It was not long before these early kings began to divide these metals into small pieces, and stamp their image and name upon them in order to secure complete control of their use. Further on, as population increased, these metals were found to be insufficient, as a medium of exchange, and coins of iron and other metals, as well as leather and other scarce material, were used for the same purpose. The stamp of the king's "image and superscription" made them current and gave them the power of money or a medium of exchange. Money thus first took the shape of coin by authority of the kings. The "image and superscription" gave money value to the Roman coin; its power to represent, measure and exchange all labor products. It was an instrument of authority and power which belonged to the king. "Render unto Caesar the things which be Caesar's" was a divine definition of money. The metal was not considered—played no part—but the "image and superscription" only. Money, therefore, has only

ANTE BELLUM BANKS

will exhibit in a still stronger light the power of money to accumulate by interest. Unlike the present national banks, the old State banks issued notes at the rate, generally, of three to one, of specie dollars held by them, and many instances as many as eight and ten to one. In some of the States, notably New York, the banks were allowed to issue notes, based on deposits in the State Treasury, of gold and silver. Under this, as well as the specie basis system, a very large amount of bank notes—money—would get into circulation, while the banks were liable, at any time, to be called upon to redeem their notes in gold and silver. This large issue of notes by the banks was called inflation, and a knowledge of the fact that they would not be able to redeem promptly, their notes, in gold or silver would cause the money brokers to combine to obtain the specie of the banks for speculation. With this view they would buy up large quantities of bank notes and make what was called "a run" on the banks demanding immediate redemption in specie. The banks being unable to meet such a large demand for gold and silver, would be forced to suspend specie payments resulting in depreciation of their notes. This had the effect to cripple the business of the banks—greatly curtailing their discounts, and in order to quiet the brokers and stop the "runs" for specie, the banks would loan their notes to the brokers at a low rate of interest, on long time, while the brokers, in turn, would reloan to the merchants and manufacturers at high rates of interest on short time. Finding themselves unable to obtain discounts at the banks, the merchants and manufacturers would then be placed at the mercy of the "money changers" who would extend higher and higher rates of interest, sometimes reaching 3 and 5 per cent. a week, and thus create what was called "money revulsion" or crises, which hundreds of the strongest mercantile and manufacturing firms would be ruined; or, in broker's parlance, "go by the board."

In such times, which were not infrequent, money would increase in power to accumulate by interest—usury—at an enormous rate and rapidly transfer values to the hands of the few. The price of farm products would be greatly reduced and great distress brought upon the laborers. This artificial security of money created by the bankers was called a contraction of the currency, and invariably carried up the rate of interest to a usurious point, while bring down the price of labor and its products to starvation rates.

ITS POWER TO ACCUMULATE VALUE BY INTEREST. A farmer has a gold dollar, a silver dollar and a paper dollar in his pocket-book. As long as he keeps them there neither will be of any value, but when he desires to obtain any article for use or consumption, either one of the dollars will buy as much as the other; and they perform their functions as money only when he parts with them. The functions, then, to represent, measure and exchange values, conferred by government upon money, are not only legitimate, but useful in the highest degree, enabling communities to conveniently exchange, to the fullest extent, such products of labor as will conduce to their greatest prosperity and happiness. But there is another and entirely separate and distinct function of money, also conferred by law.

has made it, in all ages, an engine of oppression. We have already seen to what extent, and the rate per cent. at which labor can accumulate value by saving its surplus earnings, as well as the enormous and vastly superior power of money to accumulate value by interest.

This unjust power of money was condemned by the law of Moses. "Thou shalt not lend upon usury to thy

brother." "I pray you let us leave off this usury," are Divine injunctions, and no human law can justify a rate of interest greater than the net earnings of honest labor. He who overthrew the tables of the money changers and denounced them as thieves set his seal of condemnation upon usury. As we come along down the avenues of history we see the greatest of ancient empires totter and fall under the enormous weight of values accumulated by interest. The wealth of the Roman empire concentrated in the hands of the few by usury. And then in the middle ages, when the light of Christian civilization almost became extinct, when the world thought nothing was money, but gold and silver, and a pound of flesh was exacted, for a failure to return, with usury, a pound of gold. During this age of gloom and barbarous misery, when the mines of the so-called "precious metals" were mostly exhausted and abandoned, and when the metallic circulation of money had reached its lowest ebb since the Christian era, there was evolved a system of feudal service, more oppressive than the long and dark centuries of middle money bondage. Still further on we come to the banking era, when paper notes are introduced and commercial communities began to prosper. A century or two later, feudal bondage begins to decline and the bondage of money usury again resumes its sway. Coming along down to modern times, we see bloody revolutions in France and other European countries, all caused by the same greed which gives to money its unjust accumulative power. Later on we see the enormous bonded indebtedness of England, and another phase of feudal oppression securely entrenched in the laws and customs of that mighty empire, which loaded down the past and still increases, to encumber and oppress the present generation of English workmen.

We see a beaming star rising in the distant west, and the young republic of the new world, on the memorable Fourth of July, 1776, throws off the yoke of British oppression and discards the governmental theories of the past—nearly all—save one, but still clinging to the dead money metals, and giving them the same power to oppress and unjust extortion of interest which they possessed from the dawn of civilization. This unjust power of money to accumulate by interest gives us our enormous national bonded indebtedness, the great weight of nine millions of farm mortgages and corporation debts. The great floods of usury set in motion by the accumulative power of unjust rates of interest are rapidly and surely sweeping the farmers and laborers of free America into the vortex of helplessness and abject poverty.

Money should not and must not be allowed by law to accumulate faster than labor. The law gives money the power to accumulate value at the rate of 8 per cent., while labor can, as has been seen, only earn, after support, 1 per cent. Thus the law enables money to create value and usurp the God-given and sole prerogative of labor. Labor is thus dethroned by law, because it is unable to accumulate more than 1 per cent—after support—while dead metal—inanimate money—tied called capital, takes its place, with the favor of the law, to earn 8 per cent. But an examination of the methods of the

power of money to accumulate by interest. Unlike the present national banks, the old State banks issued notes at the rate, generally, of three to one, of specie dollars held by them, and many instances as many as eight and ten to one. In some of the States, notably New York, the banks were allowed to issue notes, based on deposits in the State Treasury, of gold and silver. Under this, as well as the specie basis system, a very large amount of bank notes—money—would get into circulation, while the banks were liable, at any time, to be called upon to redeem their notes in gold and silver. This large issue of notes by the banks was called inflation, and a knowledge of the fact that they would not be able to redeem promptly, their notes, in gold or silver would cause the money brokers to combine to obtain the specie of the banks for speculation. With this view they would buy up large quantities of bank notes and make what was called "a run" on the banks demanding immediate redemption in specie. The banks being unable to meet such a large demand for gold and silver, would be forced to suspend specie payments resulting in depreciation of their notes. This had the effect to cripple the business of the banks—greatly curtailing their discounts, and in order to quiet the brokers and stop the "runs" for specie, the banks would loan their notes to the brokers at a low rate of interest, on long time, while the brokers, in turn, would reloan to the merchants and manufacturers at high rates of interest on short time. Finding themselves unable to obtain discounts at the banks, the merchants and manufacturers would then be placed at the mercy of the "money changers" who would extend higher and higher rates of interest, sometimes reaching 3 and 5 per cent. a week, and thus create what was called "money revulsion" or crises, which hundreds of the strongest mercantile and manufacturing firms would be ruined; or, in broker's parlance, "go by the board."

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