

AN OPEN LETTER

—to—
M. R. Baldwin,
H. E. Boen,
Loren Fletcher,
Andrew R. Kiefer,
O. M. Hall,
J. F. McCleary,
J. A. Tawney.

And Others, on the Subject of
 Free Coinage of Silver.

St. Paul, August 12, '93.

I see in the papers that Geo. Gould has announced on his return from England, that the Sherman silver act must be repealed at once. Here is the article entire:

"The situation of course is alarming, and very much demoralized. The main cause is the unsettled conditions due to the silver question. There is another cause, however, that the public is not aware of, and that is the hostile attitude assumed by the legislators of this country toward the great corporations; instead of trying to build them up the policy of the state and general governments is to pull them down and make them worthless. The people forget that the country cannot prosper unless the great transportation corporations also prosper. Business has never been more stagnant in the southwest than at the present time, and I look for no change unless something is done at Washington. The repeal of the Sherman law will bring us all back to prosperous times; the Gould family and the rest of the Wall street stock gamblers. Mr. Gould has stated the situation clearly, and according to his notions and those of Wall St. the financial panic is due to their inability to float watered railroad stocks abroad.

Unless the Sherman law is repealed and congress subjects this country to the financial policy of England, Mr. Gould and his coterie of stock gamblers are going to have difficulty in floating their watered stocks abroad for awhile, and hence the "great transportation corporations" cannot prosper in the sense they desire. That is just where the shoe pinches; the country be d—d so long as Wall street can prosper on stock gambling.

It is a pity that congress has now been in session nearly a week without helping the Gould family out with another hundred millions or so.

Experience has, however, shown that the great transportation companies will look out for their interests very well, and have always done so, both in and out of congress. It is time now for congress to proclaim a policy of "the greatest good to the greatest number and a financial policy for America."

This country is only indebted to England about \$2,000,000,000 on account of railroad stocks, etc., and to deprive Wall street of the opportunity to still further increase the burden is not in keeping with the spirit of true Western liberality. The burden of this indebtedness, as we understand the situation, was payable in "coin," meaning gold and silver. As silver began to be mined and by its increasing production we were adding to our ability to pay off this great debt, England was startled, for it is not principal she wants, but rather to hold us in financial bondage and keep us paying interest eternally. So England says: "We can take no more of your stocks unless you come to a gold basis exclusively," and Wall street was willing to sacrifice the whole people in order that they might succeed, and weaken our ability to pay in order to increase their ability to borrow.

It seems to any one that a farmer who had a mortgage on his farm, payable in wheat and oats at a certain ratio between them, would be an idiot to quit raising the most profitable product and thus diminish his ability to pay the mortgage. Yet such was the position taken by congress when it demonetized silver.

It is somewhat amusing to read the different views taken by the financiers on the present panic, and to note how generally all of them have been meeting with editorial approval in the daily press, for the press does not concede any one to be a financier unless he is an advocate of the English policy of finance.

One says: "We have got too much silver in the country now, and that is what makes it so scarce and hard to get. If we would quit coining silver it would become more plenty." This reminds one of a person complaining of being hungry because he had too much to eat.

"Our circulating medium is too large," says another, "there is too much money in the country, which accounts for its scarcity." Well, then, if the gold policy is correct, and gold is the only basis on which our circulation is founded, it would be a good idea for congress to discontinue the coining of gold, for if we are to reduce the circulation the proper place to begin is at the root.

Another says: "There is not enough gold in the country, since England shipped out a few kegs (which by the way have since returned unopened), on which to base a circulation, and that is the cause of the present pan-

ic, the people having no confidence that our notes will be redeemed in gold. The only way to remedy this is to authorize the national banks to issue another \$100,000,000 or so of currency," redeemable of course in the gold we haven't got. Of course he has studied the political economy of Wall street, and knows just how this can be done. Applying his suggestion to ordinary business, the man who is crowded for payment of his notes can inspire confidence in his creditor that he will pay, by issuing more notes. It reminds me of a story I heard a few days ago: A lady had overdrawn her account at the bank \$165 dollars. The banker sent the notice usual in cases of overdraft, requesting her to make the same good. She replied with a very polite note, saying she was very sorry it had happened and assured the banker it should not occur again, and in closing said: "I herewith enclose you my check on your bank for the amount."

Another financier says: "If we don't stop coining silver England will sell all her investments in this country and take the gold out of the country and thus leave us on a silver basis exclusively."

That would indeed be sorrowful; I suppose he argues that the proper thing to do would be to do away with silver, and then whenever England withdraws the gold we will be on no basis whatever. It would seem to the ordinary observer that a silver basis would be preferable to no basis at all; but then some people are always talking what a glorious thing it would be to have fiat money. These Wall street financiers ought to know all about fiat money, as it seems to be their 'flat' that makes all our money.

Ex-congressmen always know what is what, so their views are always sought. Just before leaving for England (probably to place the bonds) one of them says: "The only thing to relieve the present panic (and enhance the interests of the great transportation corporations) is to unconditionally repeal the Sherman act then let the government issue \$300,000,000 gold bonds (creating an interest charge of \$12,000,000 annually payable in gold), sell them to England, place the gold in the treasury (this will create a boom in stocks), then let the national banks issue our currency exclusively. This will inspire confidence at once (and on the boom that will follow England can unload a corresponding amount of railroad stocks, withdraw the gold and take it back). Of course in this event all we have to do is to issue more bonds, and keep the gold on the move until the interest has absorbed it all."

Now it does seem that with all these schemes before congress, it should have no trouble in adopting one or all of them, and that without delay, and as Mr. Gould has said that the country cannot prosper unless the "great transportation corporations also prosper," if the repeal of the Sherman law is for the benefit of the corporations it should be unconditionally repealed at once; if not, it will be the first time in the history of this country that the corporations have not got what they want.

I do not think that a common voter has any right to make suggestions to a member of congress as to how he should vote, but this is a case where the great corporations are interested and therefore we all feel more or less concern for their welfare; I therefore feel at liberty to step outside of the ordinary rules of propriety and suggest that you vote for the unconditional repeal of the Sherman silver law.

I would not feel like expressing any views on the financial question after reading all these I have referred to above, but I will mention the expression of one person made in private a few days ago. He says:

How is it that whenever a few kegs of gold leave this country we have no way of stopping it, but at once begin to cry panic, and thus bring one on? At the same time why is it that as soon as gold begins to leave England there is a way of stopping it by raising rates of discount, which by the way I do not understand? Could we not adopt some such way ourselves for self-protection? Say give the secretary of the treasury power to levy an export duty on gold whenever he deems it for the interest of this country so to do.

Then again could we not settle this question of finance by adopting an American system of finance, regardless of England? Is it not to our interest to increase our ability to pay our debts, and is not an increase in our metallic money the way to assist us in that course?

The Sherman law should be repealed at once; it debases one of our most precious products. Coupled with the bill should be a provision providing for the free coining of silver at the present ratio of 16 to 1. Silver should be made a legal tender for all debts, and any contract providing differently should be declared void. An import duty of say 60 or 75c. an ounce might then be imposed on all silver coming from foreign countries; this would practically establish the price of silver in this country at the coining value, and would make all balances due this country payable in gold, or in silver at the price that London assumes it would be. We could then avoid having the silver dumped on us and would say to the other powers: We will take care of our silver and you do the same. What obligations we owe to foreign powers we could pay

in gold, as we would have left a silver currency to fill in the place until the gold came back again in the way of balances.

All bills below ten dollars should be called in and cancelled, and in time the bank notes should be also retired. This would put silver into circulation as it should be, as France has a circulation of silver alone almost equal to our entire circulation of gold, silver and paper.

With some such policy as this I think we should be able to free ourselves from English domination, and in the course of time we would gradually begin to build up a trade with silver using countries and England would then be the one to call for a conference. Instead of the stocks being held in London they would gradually be absorbed by our own people, and we should soon be free from financial slavery to England.

This, it seems to me, would be much better than turning everything over to England in order that the "great transportation corporations" may prosper.

After my friend had closed I suggested to him that he was another of those silver fiends, a genuine Calamity Howler—in fact a veritable crank, according to the notions of the daily press.

"Well," said he, "there are always bound to be silver fiends as long as there are gold wolves; calamity howlers must follow the calamity producers; and as for cranks, the more we have of them the better. I believe that the definition of a crank is 'a piece of mechanism intended to produce or accomplish revolutions,' and what we want now is a revolution in our financial system; let us hope there are enough of these cranks in congress to bring it about."

LARS.

The Cause of the Panic.

EDITOR REPRESENTATIVE.

The prospective increase of the purchasing power of money is the cause of the present financial and business troubles. Notwithstanding the president and the press generally give other names and causes.

Capital always refuses its aid to productive enterprises that give employment to wage earners in the face of falling prices, due to a threatened contraction of the volume of money, which increases its value while hoarded in idleness. John Sherman said (in the days when he was honest) that the contraction policy of Secretary McCullough, soon after the war, "would create a lassitude of trade, production stopped and the country filled with tramps, the debtor's burden be doubled and the creditor's bond be correspondingly increased in value. How terribly the prediction was verified. If silver and its representatives be wiped out as threatened, history repeats the Sherman prediction in effect as pending to-day in demonstration nearly everywhere. We are told by the president's message "that the wage earner is the victim."

True, but not for the cause he implies—inflation by use of more money, silver; but less of it, gold alone. Did labor ever suffer when capital ventured in inflation of business circulation; which it is always anxious to do in view of rising prices, and hides in view of falling prices.

To attribute the trouble to the Sherman silver purchase law, is not so much correct as the threat that it will be repealed, without a substitute giving silver a standing as having the office of money. The real issue is the number, not the kind, of dollars in circulation; numbers fix prices, other causes being equal. Again the president labors to show, (falsely in logic) that our government cannot make its fiat equal to intrinsic value. Now, I would ask him or any one else where is there a demonstration of this: It cannot be found. When any form, substance or quantity is clothed with a full fiat of lawful money one dollar, it always was and will be worth one hundred cents, there can be no inferior or superior money. Except by withholding a portion of fiat from one form of money and giving it in full to another. The president's message is burdened with another commonly accepted idea that money is international, and is governed by the commercial world. This would be correct after the various governments had united and jointly given their fiat on some particular form or substance for joint money among them. Which as yet has never been done. Each government has up to the present time, made their own money out of their fiat for domestic use. Money is national not international. Again the president says "the people of the United States are entitled to a sound and stable currency." Say money and no one will disagree with him. How shall this be secured—by aid of our own laws, made in our interest, or shall we invite advice from abroad and from those who are interested in making us their victim?

When money is good at home it is good abroad, in matters of exchange as such; instance our greenbacks, which practically enjoy the full fiat of money (though not by law), is at par as money in foreign exchanges. Gold, silver, wheat, and all commodities, are exported or imported as

Continued on page 4.

VERY IMPORTANT.

How the Courts have Encroached upon the Rights of the People

And are Turning this Nation into an Oligarchy of Lawyers Controlled by Corporations.

An Article which Every Reformer Should Read.

[We desire to especially call the attention of our readers to one of the most striking and important articles that have appeared for a long time. We regret that we have not space to get more than extracts from it, but we shall continue them from week to week.]

The article is from the March-April 1892 number of "The American Law Review," published at St. Louis, one of the oldest and most distinguished law magazines of this country. It is entitled "Abuses of Corporate Privileges," written by Judge Seymour D. Thompson, Chief editor of the Review and one of the ablest lawyers in the West. We want our readers to remember, while reading this significant article, that its bold and radical utterances are not from some populist stump orator, but from a Judge and an attorney by profession. Nothing could indicate more clearly than this article the abyss towards which the free people of this country are advancing.

(Continued.)

An Englishman named Watt had turned to mechanical purposes the expansive power of steam. His statue stands in Westminster Abbey, the greatest of England's great; greater than Wellington, greater than Nelson; greater than any general or statesman, or lawyer or divine; bearing the inscription that it was erected by a grateful king and country. That invention turned to such use coal and iron which God had planted beneath the soil of England, as made the country the first among the nations, to remain the first until her glory shall be eclipsed by that of her unruly child,—

"That young eagle of the West,
 Driven out from the mother's nest
 To forage for herself alone."

An American named Fulton had applied this new and wonderful force to navigation. Another Englishman named Stephenson had applied it to land navigation, so to speak, by means of the railway. It was soon discovered that the railway train could be made to fly over the land at a far greater rate of speed than the ship through the water. Then began the era of railway building, both in England and in this country. The orgy which surrounded the halls of legislation extended to the temples of justice and the judges were swept into the maelstrom. The good fame of the judiciary of the English speaking countries, whether appointive or elective, in so far as mere honesty—the commonest quality of judges—is concerned,—is amply justified by history and experience. Dealing with every question openly and in public view, under the full light that beats against the throne; surrounded by an upright and honest bar, sensible of their dignity and proud of their traditions,—a judge must be a poor specimen of human nature indeed, that does not deserve the credit of acting from honest motives. But in a period when public opinion set in wildly in favor of corporate enterprises, the judges, especially of the elective courts, must have been more than human if they could have resisted entirely the force of the surrounding impulses. They drifted with the tide so far as to forget to be impartial. Their intellects were hoodwinked when great corporations stalked into their courts in the persons of eminent counsel. Unconsciously they did most of their thinking on the side of the corporation.

Railroad companies were organized and their runners were sent out through the country to obtain subscriptions to their stock. They were sharpers capable of such work, and they did not go out without being first well instructed by their superiors. They regarded the unsophisticated farmer as their legitimate prey. They promised him that the road would come to this or that place in his neighborhood, or that it would go within this or that distance of his farm. On these representations they urged him to help along an enterprise so beneficial to him, by taking some of its stock. He said: "Put it in writing in the subscription paper, and I will take so many shares." It was done; but the road was not so built, and when he endeavored to escape from his contract on the ground that the other contracting party had not complied with it on his part, he discovered that, instead of being defrauded by the cunning agent of the corporation, he himself had committed a fraud on the commonwealth. If the representation was not put in writing his position was still worse. It was a fraud upon him, but that was immaterial, for the agent of the corporation had no authority to tell the lie; therefore the corporation might take the benefit of the fraud, and he take his experience. He had subscribed to a

railroad which should go by a certain route, and they now purposed to build it on another route; but that was immaterial, since the agent, in telling him where the road was to be built, was expressing a matter of mere opinion, belief, or motive. He was promised that he should not be called upon to pay his subscription until the road had been built to a certain place, and the road was never built to that place and never would be; but he must nevertheless pay, for parole evidence is not admissible to vary the terms of written contracts! In fact, he discovered, through a decision of the supreme court of his state, that he, and not the railroad company's agent, was the party that had committed the fraud; just as the honest man, assaulted by the highwayman, is frequently led off to jail by the courageous policeman, while the highwayman is permitted to escape. His experience was but a duplication of that which he had had with some insurance company, except that in this case the supreme court was the adjuster.

Such was the kind of justice frequently meted out to those who endeavored to escape from corporate clutches into which they had been drawn by fraud and deceit. For those who remained in the corporate ring there was a far different measure of justice. The legislature had provided that the shares should be paid for in money; but the complaisant courts held that this was merely directory; that the legislature could not have been guilty of so foolish a thing as to require the subscriber to the corporate shares to pay his subscription in money, which money the corporation might use in purchasing of him certain property which it might need in its business; but that he might make a subscription payable in such property. The extension of this doctrine has led to consequences the most injurious to the public. It has led to the "stocking" of property at fictitious values; and the courts have sustained such manipulating under the specious reasoning that a valuation placed by the associates on the property transferred to the corporation is conclusive in the absence of fraud. The result has been that worthless mining property and patent rights have been "stocked" at enormous values; that the corporation has thus been able to publish that it has certain great capital "fully paid up," and to obtain a false credit until the bubble bursts, leaving its creditors in the lurch. The progress of this debauching doctrine has been such that the highest American court—disregarding the express language of the governing state statutes, and refusing to follow the decisions of the courts of those states interpreting their own statutes,—has sloughed off into the low conception that, as against its creditors, a corporation can sell its unissued shares at less than par, and even give them away, provided they are worthless at the time; an act the very doing of which will make and keep them worthless.

Nor did the complacency of the court stop here. Corporations were not only endowed with rights superior to those of sovereign states and the people, but many of the courts clothed them with the wonderful faculty of being at the same time both debtor and creditor. Shares of the stock of a corporation are debts of the corporation, and in every bank statement its capital stock is classed among its debts. The obvious reason is that the money paid in by its shareholders must, on the final winding up, be redistributed to them, after its creditors are satisfied. But when the courts endowed them with the faculty of becoming the holders of their own shares, of owning their own debts, of selling such debts and of trafficking in them generally, they merely endowed them with faculties which the legislature had forgotten to extend to them, and which did not belong to ordinary mortals. Of course, I do not impute this complacent folly to all the courts: the weight of authority is no doubt the other way.

Editor Representative:

We have a mud-slinging paper here run by a heathen editor. He had a little editorial in his paper last week telling about all the good laws the populists are making in Kansas, such as reducing the interest, etc. He predicts that by the time they get through making laws, Kansas will be a good state for farmers and laborers to move out of. Of course he couldn't tell the truth and say that the laws are getting too hot for people of his kind—such as the ballot-box stuffers, ward heelers, corruptors, Mr. Big Interest, Mr. High Freight, and half a dozen other such scoundrels.

Keep right on, brother populists, and subscribe for his paper. If you didn't get your head bumped enough last fall by that prostitute editor of the G. W. he will help bump it some more.

P. A. HANSON.

Three populist papers were started last week, viz.: West Union Gazette, Iowa; Clinton Kicker, Indiana; Republic, California.—Mercury.

AVOID HYSTERICAL POLITICS.

While Finance Is Important, It Is Not All of the People's Party Platform.

The importance of the struggle over the money question in the coming session of congress seems to "rattle" some of our contemporaries among the People's Party papers. Undoubtedly the fight for bimetalism now coming on is to be a big one, but it is not necessary nor advisable in stating this fact to be little or discredited or in any way to relegate to the background or to the future the other principles of the Omaha platform.

We do not object to any reasonable statement of the importance of the financial question. It is of the first order of magnitude, but we do object, and a large part of the People's Party will be found very vigorously objecting, to any talk that looks like side tracking in the interest of the money question the other quite equally important reforms to which the party is pledged.

For example, there are divers orators and a few papers of our party which permit themselves to say such things as that all other issues must be postponed to the money question; that this is the paramount issue; that it is logically and necessarily the first issue and that until it is settled we cannot properly take up the other issues; that if we are beaten in the contest for bimetalism we are crushed; and that if we win in that fight all the rest will logically follow.

These statements and others like them are one and all as untrue as they are impolitic. The People's Party is not a party of one idea. It does not carry all its eggs in one basket. It does not march in single file.

Desirous as we are to see the full bimetallic idea prevail, with the exclusive governmental issue of money, it is not true in any sense that the rest of our programme depends on the triumph of these ideas or would be rendered impracticable by their defeat. If that were so, our outlook would indeed be dreary, for he must be a sanguine person who believes that at best our side can do more than to obtain a compromise on these points, while it is certainly possible that bimetalism may be quite knocked out. Suppose the latter event to take place, what then will those People's Party papers be able to say which have beforehand declared that all the prospects of the party depend on the result of the money fight? They will logically have to throw up the sponge, will they not? But the People's Party will not throw up the sponge. Dear brethren, let us avoid hysterical politics.—New Nation.

Stealing Populist Thunder.

There is much rejoicing in the ranks of the People's Party. The leaders say, and with good reason, that they have successfully impressed their views on both old parties. They have persistently advocated an increased per capita circulation, and now the Democrats and Republicans are lustily shouting the same refrain. The national ownership of railroads, telegraphs and telephones is no longer considered a visionary and impracticable scheme, and it is possible it will be the battlecry of one or both of the old parties in the near future. The establishment of postoffice savings banks and the substituting of subtreasuries for national banks are also becoming popular ideas.

It must be admitted that this young party has done the country much good and that many of the greatest patriots the country has produced are to be found in its ranks. Year by year the old parties steal Populist thunder and profit by the enthusiasm it arouses.

People who accuse the Populists of being visionaries and anarchists are unjust and bigoted. Scarcely a year has passed since the Omaha convention. The platform there enunciated was crude and even vague in many particulars; still nine-tenths of it has since been adopted by the old parties. Probably the first official announcement of any political party was never as much in touch with the masses as the proclamation issued from Omaha July 4, 1892.—Silver Outburst.

Everything "Out of Whack."

Your Uncle Sam Jones writes as follows: If there is not a change for the better in the next 60 days, something has got to bend or break. From ocean to ocean, from the northern boundary of Canada to the gulf, this country is in a fearful condition financially. I care not for causes that led to it or names you may give the situation. The whole thing is "out of whack," and now the question is, Can congress put things in line again? The worst feature in the whole situation is the fact that all the silver mines are closing down in the west, and the large iron and coal industries of the east are closing down, thus throwing out of employment tens of thousands of men, and no work and no money, with distrust on all sides. There will be infinite want and trouble unless the causes can be removed and the country put in running order again.—Progressive Farmer.

How Gold Is Hoarded.

As illustrative of the wild and unreasonable desire to hoard money and showing one of the causes of the scarcity of the circulating medium, a depositor in a Third street bank, who had \$32,000 to his credit on the books, called and drew his check for \$30,000. At his request he was paid in gold. Stepping across the room, he engaged a safety deposit box, opened it and thrust in his bag of gold. He snapped shut the steel door of the box and came up town whistling. This will explain where \$20,000 of much needed money has disappeared from active and useful circulation. This man, too, believes that he is a sensible financier.—Cincinnati Commercial Gazette.

Workingmen's Friend.

Mr. E. J. Bracken, candidate for governor on the People's Party ticket, is a staunch and tried trade unionist. He is chairman of the legislative committee of the Ohio state trades and labor assembly. If he is elected, the workingmen of Ohio will have a true friend in the statehouse.—Cleveland Citizen.