BANKER AND FARMER

E. GERRY BROWN MAKES A SPLENDID ILLUSTRATION.

How a Rustic Old Hayseed Put a National Banker in a Hole—Farmers All Understand the Great Money Question, and Will Vote Accordingly.

"Mr. Banker," said a farmer, "will you answer me some questions?"

"Certainly I will," answered the banker. "We have a league in New York whose mission it is to reward or pay editors to print our ideas on 'sound money;' but go ahead with your questions."

"What is a national banknote, for which we sell our labor?" asked the farmer.

"A national bank-note is a promise of a national bank to pay the amount named on the face of the note," answered the banker.

"Pay what—gold?" asked the farmer.

"Oh, no; lawful money," answered the banker.

"That gives you an option of paying it in silver. Do you pay out silver?" asked the farmer.

"Mostly silver, silver certificates, notes of other banks, etc.," answered the banker.

"But, Mr. Banker, if you have the option and pay it in silver, why do you claim that, if the government has the option it should pay in gold?" asked the farmer.

"Because we are on a gold basis; and if government paid out silver, confidence would be affected, and gold would go to a premium," said the banker.

"Then, if we are on a gold basis," said the farmer, "why don't you pay your notes in gold?"

"Because," answered the banker, "the law gives me the privilege of paying lawful money and we educate the people who want gold to demand gold of the government for that lawful money, and that relieves the banks of the burden of providing the gold for the gold basis."

"Then, what we get for our labor is a paper promise of a bank?" asked the farmer.

"Oh, but it is good—good all over the country," said the banker.

"What makes it good," asked a laborer.

"It is secured by United States bonds," said the banker. "For every $900 we issue in our bank notes, we deposit a $1,000 bond in Washington. The law furnishes us with $900 in banknotes for every thousand dollar bond there deposited."

"And the bond is the property of the bank and the government is responsible for its safe-keeping, and its return to you," asked the farmer.

"Yes," answered the banker.

"You buy a bond with $1,000, and then get $900, that is good currency as that which you gave for the bond?"

"Ye-yes," hesitated the banker.

"What is a bond?" asked the farmer.

"A bond—a United States bond?" asked the banker. "Why, every one knows what a United States bond is. It is a promise of all the people that the holder of the bond shall receive interest until the bond is matured, and the principal named in the bond at maturity."

"Then you draw interest on the bond?" asked the laborer.

"Yes," said the banker.

"And," continued the farmer, "you get back $900 out of the $1,000 you paid for the bond. Then isn't it true that you are drawing interest on the full bond, when, in reality, all that you have loaned the people is ten per cent of that bond?"

"That's not the way we state it," said the banker.

"No," interjected the editor, "you don't state it in that way, but it is an exact statement of the privilege you enjoy at the expense of the wealth-producers, the bread-winners, the widows and orphans included. Tell him also that you are exempt from paying interest on the bond or the notes."

"I haven't finished asking questions," said the farmer.

"Go on," said the banker, with a "tired" look at the editor.

"I want to ask how you get your bank-notes into circulation?" continued the farmer.

"We discount notes; that is, for instance, a retailer who buys goods and hasn't the money to pay for them gives his note, his promise to pay at a certain date. The manufacturer who sells him the goods indorses the note—writes his name on the back of it—and then he brings it to our bank. We deduct the interest—discount it, and take the discount in advance—and the balance we loan him, and enter it on the deposit-book of the one for whom we discount it. When he draws a check we can give him in payment our bank notes."

"Then," questioned the farmer, "you draw interest on the bond at Washington and interest on the notes of your bank; isn't it double interest for part of your money?"

"Well, we don't state it that way," slowly answered the banker.

"No," remarked the editor, "it is not stated that way; they are too busy educating the people on honest money."

"It appears to me," remarked the farmer, "that bank-notes are a promise to pay on which the bank draws interest. The retailer pays interest on what he owes, and the bank receives interest on what it owes."

"That's it," chuckled the editor. "The bank is living on the interest of what it owes, and growing rich at the expense of the people who vote for the gold-basis that gives the bank this special privilege. This enables the banks to educate you up to a gold basis at your expense. They have the 'special privilege' of furnishing you with 'sound money.' There's so much wind in it that can make it sound like a bass-drum!"

"Special privilege," exclaimed the banker, "why, any five men can take advantage of the National Banking Act. It's no special privilege."

"Of course they can," replied the editor; "and I wonder that there are so many tramps doing nothing, when they could have such an easy job, if, in 'blocks of five,' they should associate themselves and organize a bank. All they need is $5,000 or $100,000 capital. Certainly every American citizen has the chance to run a bank. It is good business. For instance: The Chemical National Bank of New York, capital $300,000. Surplus, seven million. Par value of stock, $100; market value, forty-three hundred—forty-three times as much as its par. No note circulation. Deposits thirty million, and its profit is from the credit based on about one-quarter this sum. In addition to the seven million profit represented by the surplus, its dividends have been one hundred and fifty per cent per annum and in addition to that one hundred per cent is carried to surplus. 'Our business comes from confidence,' said the president in his testimony."

"Dear me," said the minister, "I have listened to all this about a national bank and the money power and the system doesn't appear to be just right. It is a debt based on a debt; and we are doing business on the basis of our debts. To have money we must keep in debt, and pay interest on the debt forever, that we may have the evidence of a debt with which to exchange wealth. It is interest on a dollar, and another interest on something not earned, which is based on that dollar and called national bank credit. Why, a dollar printed on every fifty cents' worth of silver, seems to me, is a better dollar than a promise to pay a dollar which has only twenty cents guaranty in its possession that we shall finally promise, if we get anything. More promises to pay than there is money to redeem the promises! Dear me! The president of our national bank has donated the chapel in which I try to lead men to fear God; but I fear that the money-changers have so burdened them with supporting themselves and the banking system, that they do not come to church so often as they might if they were emancipated from this bondage. Man's body is God's temple, and the money-changers must be driven out. I must have a sermon on this."

"You'll get fired if you do," whispered a rude voice in the rear of the room; but the minister did not hear it.

These figures are from the testimony of the president of the bank to a congressional committee, 1894.

E. GERRY BROWN.

FUSION VICTORIES.

Wonderful Strides of Populism Acknowledged by Gold Standard Paper.

As the strength of the Populists is chiefly in the west and south it is not to be wondered at that so little attention has been paid to their movements in those parts of the country exempt from their influence.

In 1892 they cast a total of 1,041,028 votes for their presidential candidate, Weaver, out of a total of 12,110,636 for all candidates. If they had given no evidences of growth in the meanwhile, they would not cut much of a figure in the calculations of the present year. But a remarkable feature of the elections of 1894 was the great increase in the Populist vote which accompanied the overturning of the Democratic candidates.

In the leading states in which a Populist organization was in the field in 1892 and in 1894 the following table shows their gains:

	1892.	1894.
Arkansas	11,831	24,541
California	25,352	51,304
Illinois	22,207	59,793
Indiana	22,208	29,388
Iowa	20,595	32,118
Kentucky	23,500	16,911
Michigan	19,892	30,012
Minnesota	29,313	87,931
Missouri	41,213	42,463
Montana	7,794	15,240
Ohio	14,850	52,675
Oregon	26,965	26,033
Tennessee	23,447	23,092
Texas	99,688	159,224
Washington	19,165	25,140
Wisconsin	9,909	25,604

These results were on straight tickets. In addition the Populists in a fusion with the Democrats increased in Colorado from 53,584 to 82,111. In Georgia, where they cast 42,937 votes in 1892, a Republican fusion gave them 96,888 in 1894. In Kansas a Democratic fusion gave them 163,111 votes for president in 1892, and separately they cast 118,327 in 1894. In Nebraska a straight vote of 83,134 for Weaver in 1892 was increased by Democratic fusion to 97,815 in 1894. In North Carolina a fusion with the Republicans on chief justice in 1894 increased their vote from 44,736 in 1892 to 148,344, or more than the total Republican and Populist vote of 1892. In Virginia a similar fusion increased the vote from 12,270 to 81,239.

In Alabama the fusion vote of 85,181 in 1892 only fell off on a straight vote in 1894 to 83,283. In Mississippi the vote was substantially unchanged. In North Dakota a fusion vote of 17,700 in 1892 was reduced to a straight vote of 9,354 in 1894.

It must be borne in mind that the vote in the off year is uniformly less than in a presidential year. If the Populist vote increased so largely from 1892 to 1894, it becomes an interesting question to know whether it has gone on increasing. It will undoubtedly be a factor in the results of next November, especially if there should be a fusion with the free silver bolters from one or both of the old parties.—New York World Editorial.

P. S.—The world doesn't want to see any more fusion.

An outlawed debt is revived should the debtor make a partial payment

HAS NO AUTHORITY.

PRESIDENT CLEVELAND'S RECENT BOND ISSUES.

Neither the Funding Act of 1870, Nor the Resumption Act of 1875 Authorizes the Issue of Bonds with Which to Buy Gold — Ruined the Party.

There is no law on the statute books authorizing the secretary of the treasury, or any one else to issue bonds to buy gold for any purpose whatever. Wherever there is any law authorizing the issue of bonds to buy any kind of money it stipulates "coin." Every secretary of the treasury from John Sherman down has made a "law unto himself" that coin means gold. The section of law authorizing the issue of bonds for resumption purposes reads as follows:

And on and after the 1st day of January, A. D. 1879, the secretary of the treasury shall redeem in coin, the United States legal tender notes then outstanding on their presentation for redemption at the office of the assistant treasurer of the United States in the city of New York in sums of not less than $50, and to enable the secretary of the treasury to prepare and provide for the redemption in this act authorized or required he is authorized to use any surplus revenues from time to time in the treasury not otherwise appropriated, and to issue, sell, and dispose of at not less than par in coin either of the descriptions of bonds of the United States described in the act of congress, approved July 14, 1870, entitled, "An act to authorize the refunding of the national debt," with like qualities, privileges and exemptions, to the extent necessary to carry this act into full effect.

This law says that "on and after the 1st day of January, A. D. 1879, the secretary of the treasury shall redeem in coin, the United States legal tender notes then outstanding on their presentation for redemption.

The law does not say to redeem in gold, but in coin. Nor did that law contemplate the redemption of other notes issued afterwards. But the secretaries of the treasury decided to turn over to the holders of the notes (the bankers) the option of demanding gold payment. Besides, Mr. Carlisle has undertaken to redeem notes not named or contemplated in that law. That both the law of 1875, and that of 1870, authorizing the issue of bonds contemplated payment in either gold or silver at the option of the government, we quote the following resolutions introduced in the United States senate in 1878, while John Sherman was kicking up such a racket about gold payments. The resolutions are as follows:

Whereas, by the act entitled "An act to strengthen the public credit," approved March 18, 1869, it was provided and declared that the faith of the United States was thereby solemnly pledged to the payment, in coin or its equivalent, of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of such obligations had expressly provided that the same might be paid in lawful money or other currency than gold and silver; and

Whereas, all the bonds of the United States authorized to be issued by the act entitled "An act to authorize the refunding of the national debt," approved July 14, 1890, by the terms of said act were declared to be redeemable in coin of the then present standard value, bearing interest payable semi-annually in such coin; and

Whereas all bonds of the United States authorized to be issued under the act entitled "An act to provide for the resumption of specie payments," approved July 14, 1875, are required to be of the description of bonds of the United States described in the said act of congress, approved July 14, 1870, entitled "An act authorized refunding of the national debt; and

Whereas, at the date of the passage of said act of Congress last aforesaid, to-wit, the 14th day of July, 1870, the coin of the United States of standard value of that date included silver dollars of the weight of 412½ grains each, declared by the act approved January 18, 1837, entitled "An act supplementary to the act entitled 'An act establishing a mint and regulating the coins of the United States,' " to be a legal tender of payment according to their nominal value for any sums whatever; therefore,

Resolved by the Senate (the House of Representatives concurring therein), That all the bonds issued by the United States, issued or authorized to be issued under the said acts of Congress hereinbefore recited, are payable, principal and interest, at the option of the government of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver; and that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor.—Congressional Record, volume 7, part 1, Forty-fifth congress, second session, page 564.

The above resolution was introduced by Stanley Mathews, one of the best lawyers in the United States, and was intended to settle the question of gold payment of "coin" obligations of the United States. It ought to be evident that the $262,000,000 of bonds issued to retain a gold reserve in the Treasury, when there was an abundance of silver to pay all obligations was a violation of the law and the bonds are fraudulently issued. It is generally conceded, we think, by our best lawyers that no law exists authorizing the issue of the bonds, but they console themselves with, and take refuge behind, the statement that the necessity of the case demanded it. We believe the day will come when this whole matter will be investigated, and the bonds declared to be illegal and repudiated as such.

THE PARTING OF THE WAYS.

Positively the Last Appearance in the United States.

The "parting of the ways" seems to have been reached by a good many public men. Senator Gorman says, "I have done all the dirty work for the Cleveland crowd that I propose to do and I won't go to Chicago." Senator Vest declares that if the administration forces capture the Chicago convention in the interests of the "gold bugs" he will bolt the convention. Congressman Cockrell, of Texas, writes his constituents that he will not accept renomination; he says he is "tired of parading under a democratic banner which has been so foully besmirched by men claiming to be democrats." He declares he "will never vote for a gold standard man for president." Senator Teller of Colorado has written a letter to be read at the republican convntion of his state, declining to go to the St. Louis convention, unless the Colorado convention agrees with his views on silver. He says: "I do not intend to support a candidate on a gold standard platform, or on a platform of doubtful construction." He says he recognizes where this declaration places him, and he accepts the situation with all its logical results, but to do otherwise would be to stultify his record. There are many others who are doing likewise. The time has come when men of honor will no longer hold their principles in abeyance and stultify their convictions for the sake of belonging to a party. It is not the question whether these men hold convictions which other men indorse, or do not indorse. It is enough that they believe they are right. All right-minded people must respect honest conviction and the man who dares sever lifelong party ties rather than play traitor to his soul.

Too long have the masses of the republican and democratic parties subordinated their sense of right to party success, in the vain hope that the time would soon come, when their parties would abandon a time-serving policy and take their stand on the higher plane of honest conviction. We are happy to know that the true American has contributed its full share to the political regeneration of this country. We have no cause for discouragement; our labors have borne fruits which are only the earnest of a more abundant harvest.

MR. CLEVELAND'S MILLIONS.

Where and How Did He Get Them—Investigation Recommended.

New York Press: The country would like for congress to make an unequivocal investigation into the means by which Mr. Cleveland, during his two presidential terms, has become a multi-millionaire. Mr. Cleveland is the first man to acquire a fortune while president. He is not a man above investigation any more than William M. Tweed, Oakey Hall or Peter B. Sweeny. As sheriff of Erie county and as mayor of Buffalo he was known as having "an itching palm." An exhibit printed in the New York Tribune of that period showed that he could charge per diem for more days of "personal extra work," apart from his deputies, in one year than the calendar counted in two.

In President Grant's time it became known that Grant was surrounded by a coterie of men who were scheming to make money out of him. It was charged that Gould and Fisk had made use of Corbin, Grant's brother-in-law, to get an order stopping the ordinary treasury sale of gold, under pretense that a rise in the premium on gold would increase exports, and as a consequence body had made money. This was gold had been sent up to 165 and somethough a sufficient cause for a searching investigation by congress. What was sauce for Grant should surely be sauce for Cleveland.

It is charged that $9,000,000 of needless and excessive profit was recently made by two New York brokerage and banking firms through a national loan which was secretly effected by contract drawn, not by the Attorney-General, but by Mr. Cleveland's private law firm. The people have a right to know more about the reason why the transaction went through this irregular way. The broker, Benedict, who by common report has stood between Cleveland and all his relations of business and pleasure from New York city to Buzzard's Bay, is also said to have retired on a large fortune.

Every Man's Portion.

Every man who labors is entitled to enjoy the fruits thereof, and if he does not, there is something wrong in our economic system. A man who labors, earns an abundance of good things, and, if he does not enjoy them, some other person does. Under proper conditions every laboring man should have:

"Corn in the corn crib,
Chickens in the yard,
Meat in the smoke house,
And a tub full of lard.

"Milk in the dairy,
Butter by the load,
Coffee in the box
And sugar in the gourd.

"Cream in the pitcher,
Honey in the mug,
Cider in the demijohn,
And liquor in the jug."

The only road that leads to this condition of plenty is through a change in the conditions, and a change can only come by a change of national policy. Vote for a change!—Southern Mercury.

"Cheap money" is the proper name for an honest money, but "sound money" is a misnomer for what the gold bugs want.

I DON'T CARE.

GIRLS and boys, I wish to tell you
Of a foe you entertain;
I have seen you with him often,
And the fact has caused me pain.
For he only seeks the ruin
Of your lives so young and fair—
He's a foe, cool, sly and cunning,
And his name is "I don't care."

Have you ever thought dear children,
That "I don't care" is a thief,
Taking from you time and order,
Candor, friends, and all save grief?
Don't you notice the bold falsehoods
That he daily tells to you,
And that makes you say "I don't care,"
When at heart you really do.

* * * * * *

Break the habit, children, break it;
Do not use the common phrase;
Smaller things than this have started
Many a life in reckless ways.
Guard your words, your thoughts, your actions,
To yourselves be true and dare
Not let the good life slip by you
With a reckless "I don't care."

Flow Schoonmaker Armstrong in Pittsburg Press.

TWO FAILURES.

He was not much of a man to look at as he leaned back in the chair opposite the city editor in the dingy little newspaper office. His rough, sandy beard showed several weeks' growth; his blue eyes had an uncertain, vacant expression in them that verified the story told by his breath; his clothes were shabby, and his old overcoat, even in the warmth of the office, was buttoned up close under his chin in a way that suggested a dearth of other clothing. He did not look like a gentleman.

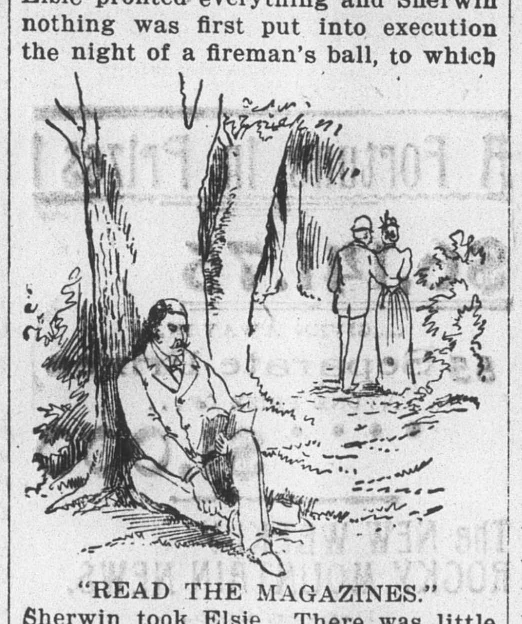
The city editor opposite, even in his shirt sleeves, with the ugly green shade pulled down over his eyes, had a patrician bearing that was unmistakable.

They were not at work. They were waiting for the telephone to ring up the account of the hanging down at Scoop. The office was dark except for the one incandescent light that swung over the city editor's table, and the figures of the two men on either side stood out in bold relief, showing sharply the contrast between them—a contrast so decidedly in the city editor's favor. Yet there had been a time, ten years ago, when Mrs. Marvin, the social leader of the town, then a mining camp, had refused to allow Hetherly, the city editor, to lavish his attentions and affections upon her pretty sister and had smiled on Sherwin.

Hetherly and Sherwin were friends. They had been chums at college, where Sherwin, the more brilliant of the two, had coached Hetherly all the way through, and solved his problems, translated his Greek and written his daily themes. A few years after they graduated they had met in the west unexpectedly and had renewed the friendship. For more than a year they worked together on a daily paper.

It was not strange, after having learned during his college course to believe that Sherwin was all-powerful, that Hetherly should turn to him when the course of his love affairs failed to run smooth. Sherwin was equal to the emergency. It was a comparatively simple arrangement. Mrs. Marvin favored Sherwin and Elsie, the pretty, little hazel-eyed sister, favored Hetherly.

The scheme by which Hetherly and Elsie profited everything and Sherwin nothing was first put into execution the night of a fireman's ball, to which



"READ THE MAGAZINES."

Sherwin took Elsie. There was little resemblance between the Sherwin in the tightly buttoned old overcoat and slouch hat and the Sherwin in dress suit who called for Elsie that night at Mrs. Marvin's. While he waited for her he sat in the back parlor and talked to Mrs. Marvin with as much composure and good-fellowship as if he had not been plotting to deceive her. Elsie came downstairs in her fluffy white gown and long white cloak, her dark hair piled high on the top of her head, her eyes sparkling, her cheeks flushed, and bringing with her the fragrance of the roses Sherwin had sent her. And Sherwin, looking at her as she stood a moment in the doorway, did not wonder at Hetherly's desperation. They went to the hall and Sherwin danced the first dance with her and then left her, not only to dance with Hetherly, but to walk home with him after the ball.

That was in the spring, and all summer the little drama went on. Sherwin took Elsie to parties and Hetherly took her home. Sherwin took Elsie to drive and they drove out of town into the spicy pine forests, where Hetherly was waiting for them. While Hetherly and Elsie drove Sherwin lay on his back on the pine needles and kinnekinick and read the magazines he had brought with him, until they returned. Then he drove the young lady home and Hetherly returned by another way. After awhile Sherwin seemed to lose interest in the stories and topics of the day. His magazines lay uncut on the ground beside him while he watched the disappearing carriage until it was lost to sight on the farther slope of the hill. Then he would throw himself down with his face toward the sky that seemed scarcely higher than the tops of the pine trees and philosophize on life in general. As the summer waned his philosophy grew bitter.

One day he reached out for a little cluster of the gray-blue Oregon grapes that grew close to his hand, half-hidden under their rich crimson and dark-green foliage. He studied them for a moment, noting their artistic beauty, and then put them in his mouth, finding a keen relish in their bitterness. "They're like everything else in life," he mused. And Elsie found him cross and unreasonable as they drove back to town. He had not sympathy with her enthusiasms and he expressed his lack of it sharply and abruptly. He saw no beauty in the scarlet sumach against the gray cliff; he saw nothing remarkable in the chipmunks that hurried across the road and along the fallen trees by the way; he had no desire to get out and dig ferns when they saw them, tall and luxuriant, by the roadside. And the view of the town as they saw it first from the top of the long road cut out of the lime rock—the scattered little town encircled by mountains, some in the shadow and some glorious in the fast-vanishing sunlight, stretching away till the far-off peaks were blue and hazy against the sky—he had seen it hundreds of times, so had she. What was there to rave about?

Sherwin's part in the affair Mrs. Marvin never knew, but she did learn enough to know that opposition in the matter of her sister's love affairs was useless. And early in the winter Hetherly and Elsie were married.

Elsie was just 18, and childish, frivolous and light. Most of Hetherly's friends doubted the wisdom of his course. He was young and had his way to make in the world, and Elsie, with her pretty face and irresponsible, inconsequent ways, seemed the last woman in the world to be the making of a man.

Sherwin was not present at the wedding. He was called out of town a few days before on urgent business. So said the note which brought his congratulations and accompanied the little Dresden clock. He did not come back. Some one heard from him a few months later in Kansas City, where he was doing police reporting on a daily paper. Then his friends lost track of him.

Hetherly and his wife went east, the Marvins moved away, and they, too, dropped out of the life of which they had been a part. People are not long missed in those western towns that have so little that is permanent.

It was nearly ten years after that Hetherly returned and got a position on his old paper. A few months later Sherwin, his life wrecked by the weakness that had always stood between him and success, drifted into town and applied for work on the old paper. No one else would have given it to him, but Hetherly had never been in a position to refuse Sherwin anything. "You can go down and do the hanging, if you want to," he said, but Sherwin didn't want to go. His inborn refinement revolted against such a scene. So Hetherly sent a young fellow from the office to get the notes and kept Sherwin to write it up.

The whole office was waiting. Out in the composing-room the printers were having lunch. One was working leisurely on the last little "take." Hetherly and Sherwin smoked and talked of old times—of college days and the days of the early gold excitement in the hills, when they had worked together on the paper. Hetherly talked freely of his business and financial affairs for the last ten years. He had worked for awhile on a paper in Chicago, then in New York, but he had not been very successful, either from a business or a professional standpoint. He talked rapidly and then plied Sherwin with questions. But Sherwin was reticent. "And you never married?" Hetherly asked, and Sherwin shook his head. "Why didn't you?" Sherwin laughed. "Wouldn't any woman have me," he said. His lips framed themselves for a question, but the door opened and some one came in with a want "ad" and interrupted him. When the man went out Hetherly rung up the elephone savagely and asked if there was no word from Scoop yet, and when they told him "No" he sat down, anathematizing the world in general and Scoop in particular. Once again Sherwin tried to put his question and was interrupted by the foreman with some proofs. They read them silently and when the last one was hung on the hook Sherwin knocked the ashes out of his pipe and asked in the most matter-of-fact way: "And Mrs. Hetherly? How is she?" The telephone bell rung sharply and Hetherly sprung up to answer it. "Come here, Sherwin," he said; "it's the hanging." He turned the receiver over to Sherwin and walked out into the composing-room.

An hour later, when the pressman, alone in the office, was turning out the morning papers containing the two-column account of the hanging of Red-Fisted Jim, the murderer, written in Sherwin's easy, flowing, descriptive style, Sherwin was walking down street with an old friend. It was his first night in town. They spoke of Hetherly and Sherwin asked his question again in a different form: "Is Mrs. Hetherly here?" The other fellow started. "Haven't you heard? She ran off with another fellow nearly three years ago. Hetherly's here for a divorce."

The music scale was invented in 1622.