The Coming Battle

By

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Notes from the Editor – William Stirrup

My thanks must go to Daniel Pouzzner for the source of the text provided on-line at his web-site - http://www.mega.nu

It became obvious as I was reading this text, that it had been scanned using scan to text software, and that the scan had introduced some minor errors. And in deciding to produce a Portable Document File (PDF) for wider consumption, it would be remiss of me, if I did not correct these. They seemed to predominate around words with two 'l's such as “shall” or “will”. The scanner had interpreted them as the number 11. Also it was noticed that the word “we” had often been interpreted as “wc” giving an altogether different meaning.

There were also several older words whose spelling had in the meantime evolved and these were updated. Some figures used for currency included hyphens, which seemed of no purpose, and these were deleted. Punctuation such as commas and full-stops were also corrected where it was felt this was needed.

In financial figures, the UK's “£” symbol had been interpreted as an “L”. Where Acts of government (Congress, Senate or Presidential in origin) are mentioned, research was carried out to ensure that correct dates, and titles were used. Also where references in the body of text to earlier works were given additional footnotes were included, to assist readers not familiar with these. These and other amendments to make the text flow, using *italics* to emphasise the many spoken or quoted passages to highlight pieces recorded directly from the records was my decision. Finally all errors and omissions are mine and mine alone.

William Stirrup

INTRODUCTION.

In this volume the author endeavours to give an accurate history of the present National Bank System of currency, including an account of the first United States Bank, - both of which were borrowed from Great Britain by those statesmen who, like the father of Sir Robert Peel, believed that a national debt was the source of prosperity.

It is believed that the facts adduced in the following pages will be productive of some good, in pointing out the immense evils lurking in that system of banking, a system which has produced panics at will, and which is the active abettor of the stock gamblers, rail road wreckers, and those industrial tyrants of modern times, the enormously over capitalized and oppressive trusts.

It is sought to point out the great dangers of delegating purely government powers to these greedy monopolists, by which they are enabled to organize a money trust, far more tyrannical than all the other combinations now in existence; and by which they absolutely defy the authority that endowed them with corporate life.

The issue between these banks and the people will be joined in the near future, and the greatest struggle

The Coming Battle

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CHAPTER I.

ORIGIN OF THE MONEY POWER IN AMERICA

"Justice, full and ample justice, to every portion of the United States, should be the ruling principle of every freeman, and should guide the deliberations of every public body, whether it be state or national."

- Andrew Jackson.

During the existence of the human race, from the earliest dawn of civilization to the close of the present century, the power exercised over the industry, property and conscience of man by cunning and ambition has assumed many forms.

The form of power which first appeared to oppress and plunder the race, was exemplified in those celebrated conquerors of antiquity, who traversed the earth in their bloody careers, transforming blooming fields and rich and populous cities into deserts, overthrowing whole nations, sacrificing on the battle, fields countless myriad's of their fellow men - merely satisfy a species of madness dignified by the name of ambition.

Another and a more dangerous form of misapplied power resulted from the intellectual tyranny exercised by that shrewd class, the priest-hood, over the conscience and religious beliefs of the great mass of mankind.

From the days of the Pharaohs down to this period, man, from his instinctive veneration for a Supreme Being, has been so peculiarly susceptible to the arts, wiles, and cunning of priest-craft to such a degree as to excite universal surprise.

Those gross superstitions, engrafted on the inherent religious nature of man, by that wary intellectual superiority, which weighed down the noblest traits of the human mind; which bred bitter religious animosities; unheard of extortion's by the corrupt and infamous priestly aristocracies of various so-called religions, were the well-matured and craftily-devised schemes for plunder by designing men.

It is almost inconceivable that the ancient Egyptians, that admirable race, whose noble genius and wonderful energy reared those stately temples, the magnificent cities, and the stupendous pyramids along the valley of the Nile, should worship the man-eating crocodile, the savage vulture, the grinning ape and the crawling lizard.

This race is an example of that soul-darkening superstition which hung like a pall over the intellect of man.

The countless wars which afflicted Europe, Asia, and Africa for nearly eighteen centuries; which drowned the finest aspirations of humanity in blood; which desolated the fairest parts of the earth; which stemmed the tide toward a higher and a grander civilization, sprang from the base superstitions originated by the grasping priesthood, who lived in sloth and luxury upon the labor of the deluded mass of mankind.

The celebrated Vattel[1], in the twelfth chapter of that noble work, The Law of Nations, awards us a faint idea of the enormities practiced upon the people of Europe by the clergy.

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[1] Emmerich deVattel – The Law of Nations - or the Principles of Natural Law (1758)

Taine, in his History of France, shows that the ecclesiastics had seized upon the most valuable and fertile portion of the territory of that country, and that the oppression practiced by them upon the French people was one of the leading causes of the great revolution.

The third and most insidious and most dangerous form of power that has yet appeared to threaten the material well-being of the race; which new holds every civilized and semi-civilized people in its merciless grasp; which is appropriating to itself the productive energies of the world; which is subordinating the press, the pulpit, and the statesmen of the day to its ambitious ends; which openly boasts of its nefarious methods in the courts, legislatures, and other parliamentary bodies of nations, is the modern money power.

That there is a gigantic combination of the money dealers, a powerful international trust of usurers, asserting a superiority above all jurisdictions, and having for its servants the so-called statesmen and potentates of various nations, who willingly register the decrees of this money power upon the statute-books of the respective states, is a fact that can be sustained by irrefutable evidence.

This great international monetary trust now menaces the very life of this nation, and the people must dethrone it and subordinate it to their will, or American liberty will vanish.

The Declaration of Independence, which announced the true principles of government, was a memorable protest against the rapacious money power composed of the landed aristocracy, the trading, commercial, and manufacturing interests of England, which, by a long series of vicious and unconstitutional acts of Parliament, sought to eat out the substance of the colonists.

The war of the Revolution, which followed, set its seal of approval upon the patriotic efforts of the colonists against oppression, and freedom was achieved.

Upon the conclusion of that most righteous conflict, a more perfect union was formed to establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty for themselves and posterity by the adoption of the Federal constitution.

General Washington was chosen the first President by a unanimous vote.

For his constitutional advisers he appointed Thomas Jefferson for Secretary of State; Alexander Hamilton for Secretary of the Treasury; James Knox for Secretary of War; and Edmund Randolph for Attorney General.

Jefferson, who was the most accomplished scholar in America, the profoundest thinker upon the principles of Government of any age, the friend of humanity and a staunch believer in the capacity of the common people for self-government, was a representative of that industrial element which sustains society by its labors.

Hamilton, who was an aristocrat by birth and breeding, and who was connected by marriage with the wealthiest family of the landed aristocracy of New York, was a strong representative of the trading, banking and commercial element of New York City and New England, which constituted the Tory clement of the Revolution.

The presence of two statesmen of such wholly antagonistic views and temperaments in the cabinet of Washington, naturally originated divisions of political sentiment, from which sprang two great political parties.

One of the first measures which received the aid and sanction of Hamilton was the act of Congress adopted February 25, 1791, chartering the Bank of the United States.

Jefferson, whose penetrating mind perceived the vast power for mischief lodged in an Institution of that nature, in a powerful communication to the President, advised him to veto the bill. Washington, however, accepted the views of Hamilton, his Secretary of the Treasury, and signed the bill, and it became a law.

By the terms of the act incorporating the bank, its capital was fixed at ten millions of dollars. The power to issue its circulating notes as money having full legal tender quality for the payment of taxes and demands due to the Government was conferred upon it.

It was made the depositary of the revenues of the Government, and therefore it became the fiscal agent of the Treasury department. It was chartered for the period of twenty years. For the extensive powers and exclusive privileges bestowed upon it by Congress, the bank paid the United States a small bonus.

This bank, therefore, was a monopoly sustained by the credit and the revenues of the United States. It had the sole power of issuing legal tender paper money, and its actual capital was trebled in its earning capacity by loaning its circulating notes at interest, and by having the control of the government revenues.

This was the first appearance of an ORGANIZED MONEY POWER in the United States.

Thomas Jefferson, by voice and pen, in language of rare power and felicity, pointed out the dangerous possibilities of the bank to influence the politics and business of the nation.

In a letter to Madison in 1793, Jefferson stated that the bank party consisted of: 1. The fashionable circles of Philadelphia, New York, Boston and Charleston (natural aristocrats). 2. Merchants trading in British capital. 3. Paper men. Against the bank were: 1. Merchants trading on their own capital. 2. Irish merchants. 3. Tradesmen, mechanics, farmers and every other possible description of our citizens.

In 18ll, Congress refused to re-charter the bank, and as it had during its brief career obtained the mastery over the entire business of the country by its loans of circulating notes and the public revenues, and had built up a system of credit in the commercial centers, to intimidate Congress and the people, it made a concerted contraction of the currency and brought on the great panic of 18ll.

United States Senator Benton, in a speech in the senate during the administration of Jackson, thus graphically states the manner in which the bank contributes to manufacture public sentiment in its favour.

He says: -

> *"All the machinery of alarm and distress was in as full activity at that time as at present, and with the same identical effects- town meetings, memorials, resolutions, deputations to congress, alarming speeches in congress.*
>
> *The price of all property was shown to be depressed. Hemp sunk in Philadelphia from $350 to $250 per ton; flour sunk from $ll.00 per barrel to $7.75; all real estate fell thirty per cent.; five hundred houses were suspended in their erection; the rent of money rose to one and a half per month on the best paper; confidence destroyed; manufactories stopped; workmen dismissed and the ruin of the country confidently predicted."*

The Senator goes on to show that great public meetings were held, inflammatory speeches made, cannon fired, great feasts given - all engineered by the bank. That those members of Congress who favored the bank, traveled with public honors like conquering generals returning from victorious battlefields, saluted with acclamations by the masses, escorted by processions, and that those members favoring the bank were exhibited throughout the United States as though they were some superior beings from the celestial regions.

In 1812 occurred the second war with England, and the bank threw its whole influence against the United States during that great struggle.

Evidence is not wanting to sustain the charges made that the bank element of New England planned the separation of that section from the Union.

During the continuance of this war, the United States issued its treasury notes with full legal tender power, and they were gladly received by the people.

Albert Gallatin, for twelve years Secretary of the Treasury, and one of the ablest statesmen of the day, thus bears valuable testimony to the efficiency of government paper money in carrying the United States through that war.

He says: -

> *"The paper money carried the United States through the most arduous and perilous stages of the war, and though operating as a most unequal tax, it cannot be denied that it saved the country."*

In a letter to John Tyler, May 28, 1816, Jefferson says:-

> *"The system of banking we have both equally and ever reprobated. I contemplate it as a blot left in all our constitutions which, if not*

covered, will end in their destruction, which is already hit by the gamblers in corruption, and is sweeping away in its progress the fortunes and morals of our citizens. Funding I consider as limited rightfully to a redemption of the debt within the lives of a majority of the generation contracting it; every generation coming equally by the laws of the Creator of the world to the free possession of the earth

He made for their subsistence unencumbered by their predecessors. And I sincerely believe with you that banking institutions are more dangerous than standing armies, and that the principle of spending money to be paid by posterity under the name of funding is but swindling futurity on a large scale."

In a letter of March 2, 1815, written by Jefferson to the celebrated French author, Say, he said: -

"The government is now issuing treasury notes for circulation, bottomed on solid funds and bearing interest. The banking confederacy and the merchants bound to them by their debts will endeavor to crush the credit of these notes; but the country is eager for them as something they can trust to, and so soon as a convenient quantity of them can get into circulation the bank notes die."

It has been stated that the bank, during the war of 1812, exerted its whole influence against the United States. It was a matter of little concern to it that Great Britain had impressed into her service thousands of native born citizens of this country, and compelled them, against their will, to man British guns.

What cared the bank that hundreds of American merchant vessels were confiscated, in a time of profound peace, by orders of the English government, and that repeated insults had been heaped on this republic by the insolence of British statesmen?

Although the bank was a creature of the legislative powers of congress, and had received vast financial benefits from the country, it sought to embarrass the government in its struggle against Great Britain by arraying the moneyed class against the struggling republic.

Money could not be obtained by means of loans to organize, arm, and equip the American armies and to construct vessels of war to protect American commerce. In this emergency the counsel of Jefferson was requested, and he advised the issue of treasury notes by the government in lieu of borrowing.

In a letter dated September ll, 1813, he thus stated his position:

> *"The question will be asked, and ought to be looked at. What is to be the course, if loans cannot be obtained?" There is but one - "Carthago delenda est.[2]" Bank paper must be suppressed, and the circulating medium must be restored to the nation to whom it belongs.*
>
> *It is the only fund on which they can rely for loans; it is the only resource which can never fail them, and it is an abundant one for every necessary purpose.*
>
> *Treasury bills, bottomed on taxes, bearing or not bearing interest, as may be found necessary, thrown into circulation will take the place of so much gold and silver, which last, when crowded, will find an efflux into other countries and thus keep the quantum of medium at its salutary level.*
>
> *Let the banks continue, if they please, but let them discount for cash alone or for treasury notes."*

The sound advice couched in this letter was heeded by the government, and the country was carried safely through the second war for independence.

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[2] **"Carthago delenda est"** (Trans: - English: "Carthage must be destroyed")

Immediately after the close of the war, the bank put forth renewed efforts to secure a new charter.

At this juncture, William Cobbett, the celebrated English writer and economist, transmitted a letter to Mr. Dallas, Secretary of the Treasury under President Madison, in which he strenuously urged him to oppose the project.

As a warning against chartering a bank of issue, Cobbett pointed out the immense power of the Bank of England to ruin the tradesmen of that country, and to dictate the political sentiments of that people. He said: -

London,
January 13, 1816.

"To Mr. Secretary Dallas:

Sir: I have read with great care and uncommon interest your proposition to congress, under date of 6th December, 1815, for the establishment of a national bank; and as a part of the reasons which you urge in support of that proposition appear to be founded on the experience of a similar institution in England, I cannot refrain from endeavoring to show you what some of these effects really have been, and what is at present the situation of this country, owing, in a great measure, to the existence of a great banking establishment closely connected with the government.

It is the evil of a national bank, as experienced by us, to which I particularly wish to draw your attention. You profess, and I dare say very sincerely, so to frame this establishment in America that it shall be independent of the Government. It is next to impossible, indeed, that you, or any of the persons in whose hands the Government is, should have a desire to make a bank what our bank has long been; but while there is a possibility of its becoming, in any hands or at any time, anything resembling this bank, it must be a matter of serious dread to every friend of America that such an establishment is likely to take place.

Sir, it is as a bank of discount that this establishment exercises the most pernicious influence. The directors, who are a chosen divan, regulate these discounts, and in so doing decide in some sort upon the rise or fall, the making or the ruin, of all men in trade, and indeed of most other men, except such as have no capital at all."

"The amount of these discounts at any given time is supposed to be about £6,000,000, as they are never for more than two months. Here is a sum of thirty-six millions lent every year to individuals. The bills for discounts are sent in; the directors consent or not, without any reasons assigned.

Now, sir, consider the magnitude of the sum discounted. It is little short of half a million dollars a day, Sundays excepted. It is perfectly well known to you that in state of such things almost every man in trade is under the necessity of having a regular supply from discounting.

If he be excluded from his fair share here, he cannot trade with the same advantage as other men trade. If he be in the practice of discounting, and if his discounts be cut off, he cannot go on; he stops payment and is frequently ruined forever, even while he possesses property which, with the fair chances of time, would not only enable him to pay his debts but to proceed in prosperity

I beseech you, then, sir, to look seriously at the extent of the dangerous power of these bank directors. You must see that they hold in their hands the pecuniary fate of a very large part of the community, and that they have it in their power, every day of their lives, to destroy the credit of many men, and to plunge their families into shame and misery.

If I am asked for their motives to act like these, to pursue such partiality, to make themselves the instruments in committing such detestable injustice and cruelty, need I point out to you that they have been and must be constantly actuated by the strongest political prejudices?

The fact is, however, that the Bank of England, by means of its power of granting or withholding discounts, has been, and is one of the most potent instruments of political corruption, on the one hand, and of political vengeance on the other hand."

In speaking of the great profits reaped by that bank, this writer said: -

"I have given this rough statement that you may be struck with the magnitude of the object I present to you. Diminish the amount as much as you fairly can and even then you will dwell upon the subject with a deliberation you cannot prevent.

One fact will at least corroborate what I have suggested; viz., that the Bank of England had £20,000,000, or nearly $100,000,000, surplus in nineteen years, after paying bonuses and dividing 7 per cent, per annum, which was two fifths more than legal interest. I will not here allude to the United States Bank, to which I may hereafter devote an essay. "

The array of facts set out by this writer, in which he exhibited the appalling power of this bank, did not deter the American statesmen of that day from their attempt to fasten a like institution on this country. In 1816, congress chartered the United States Bank with a capital stock of thirty-five million dollars; to it was delegated the sole power of issuing notes receivable by the United States for taxes and demands due it; and designed to serve as the Treasury Department of the government by receiving and disbursing the public revenues of the nation.

Section 21 of the Bank Act was as follows: -

"That no other bank shall be established by any future law of the United States, during the continuance of the corporation hereby created, for which the faith of the United States is hereby pledged. Provided, Congress may renew existing charters for banks within the District of Columbia, not increasing the capital thereof, and

may also establish any other bank or banks in said District, with capitals not exceeding, in the whole, six millions of dollars, if they shall deem it expedient."

By this section Congress surrendered its constitutional powers to legislate upon a subject within its exclusive jurisdiction for the period of twenty years, Not satisfied with a monopoly of the currency and banking of the country, the unlimited greed of the wealthy stockholders of this bank demanded and secured frown Congress, a pledge of the public faith that the essential powers of the Government should lie dormant for twenty years!

In the early days of the republic, the accursed spirit of special privileges had shorn the nation of its means of self-preservation.

For the exclusive powers conferred upon it, the government received in return for this valuable franchise a small annual bonus.

It will be ascertained from the enormous powers enjoyed by the bank, that it obtained a monopoly of the circulating medium of the country; that, in addition to its capital stock of thirty-five million dollars which constituted its primary loanable fund, it would earn interest upon the circulating notes issued by it, as well as usury upon the government revenues when used in discounts.

Therefore, by force of law, the interest earning capacity of its capital was more than doubled.

It was a colossal moneyed monopoly.

The bank rapidly obtained a practical control over the business of the nation, and it would tolerate no opposition. By its methods of conferring substantial favors upon the influential journals of the leading commercial cities, and by its loans to powerful members of both branches of Congress, it was enabled to rally to its support a coerced and manufactured public sentiment - far-reaching and wide-spread as the limits of the Union.

The financial power of the bank, under its able and unscrupulous management, had become so dominant in its influence that it deemed itself master of the government and the people. This monopoly believed in the Hamiltonian maxim that a "Public debt is a public blessing," and, during its career as the fiscal agent of the Government, threw every obstacle in the way of the payment of the national debt.

It may be inquired by some why the bank should oppose the payment of the debt? The reason is obvious. The larger the debt, the more revenues necessary to pay the interest charge thereon, and, therefore, the more profit to the bank from the use of the increased revenues in making loans and discounts.

From 1816 to 1828, it was the sole arbiter of the financial affairs of the nation, both public and private. Its power in politics was immense, and it swayed elections at will.

The most eloquent Senators and Representatives were continually sounding its praises in the halls of Congress as the most perfect financial institution ever devised by the wit of man. Deluded with the idea that it was invincible in its influence, and that it was a necessary part of the machinery of Government, it was confident that its charter would be renewed before its expiration by limitation of law.

The audacity of the bank was destined to receive a check in its career of uninterrupted power and success, and its astonishing abuses of its franchise where to be mercilessly exposed, and it was doomed to fall never to rise again.

In the presidential election of 1828, Andrew Jackson, the hero of New Orleans, was elected chief magistrate by a great majority, and the bank, its defenders, and retainers, were fated to run counter to a patriot and statesman of invincible will and unflinching integrity. At the time of this election, and prior thereto, the public debt was being reduced rapidly, and it would not be long before the United States would not owe a single dollar.

As has been stated, the United States bank strongly opposed the payment of the debt for the aggrandizement of its own selfish purpose.

On the 8th day of December, 1829, President Jackson, in his first annual message to Congress, announced to that body that he was opposed to the bank, and that he would not favor a renewal of its charter. In the year 1830, a large surplus of public revenues accrued to the United States, and according to law, the money was deposited in the bank. This accumulation of revenues served to augment the power of the bank as it increased its resources, and, therefore, its facility to make additional loans and discounts in the various commercial centers of the country.

President Jackson discerned the policy of the bank, and in 1830 he advocated the passage of a law distributing these surplus revenues among the states. He again opposed the renewal of its charter.

United States Senator Benton, of Missouri, a man of great energy, extensive learning, and commanding ability, thoroughly understood the means by which the bank had obtained its mastery over the commerce and industry of the nation, and, therefore, at that session of congress, he presented a resolution in the United States senate to the effect, that the charter of the bank ought not to be renewed. The resolution was lost by a vote of twenty-three to twenty. The introduction of that resolution and the narrow majority by which it failed of passage, sounded a note of warning to the bank, and it gathered all its energies for the struggle that sooner or later was bound to come.

To arouse public sentiment in its behalf, it initiated a policy of expanding its loans until they reached the vast total of seventy-one million dollars, which were so judiciously placed among leading merchants and manufacturers, that, in the event of their being called in by the bank, a powerful pressure would be exerted upon the President and Congress by those who were borrowers of the bank.

On the 4th of July, 1832, a bill to re-charter the bank, after its passage by Congress, was sent to President Jackson for approval.

Many of the influential political friends of the President, aware of his intense hostility toward the bank and its methods, importuned him to sign the bill; large delegations of leading citizens from every trade center in the country implored him to allow the measure to become a law. Merchants and importers, who were heavy borrowers from the bank, trooped to Washington to add their appeals to the petitions already presented.

Its paid hirelings, in the halls of congress and elsewhere, predicted dreadful results to business interests, should the President not recede from his opposition to the bill continuing the existence of the bank for the period of twenty years longer.

To add to the general clamor, the bank, through its officials, avowed its purpose to precipitate a panic, and to pull down in ruins the business of the country, should its demands not be concealed. It compelled its thousands of borrowers to sign distress petitions, which it caused to be sent to the President as the apparently free expression of public sentiment.

The magazine had long been prepared by the bank, the train was laid, and Nicholas Biddle, the president of this great financial institution, sat in his luxurious office, and declared himself ready and willing to apply the match that would start the most ruinous financial explosion that had yet shook the foundations of the republic. Mr. Biddle had most able lieutenants in both branches of congress devoted to his interest.

Daniel Webster, the eloquent orator and great lawyer; Henry Clay, whose persuasive powers were unrivaled; and Calhoun, the great leader of the South, led the banking interest in congress.

In a work entitled, "Andrew Jackson and the Bank of the United States," - William L. Royall, thus speaks of the conduct of these three leaders: -

> *"In addition to all its other sources of power the cause of the bank received invaluable assistance from the coalition of these great men (Webster, Clay, and Calhoun). Each was an aspirant for the presidency, and upon the bank's cause and paper money, each found a common ground upon which all three could meet and oppose Jackson, the great enemy of both these things. All the movements of the bank were but a repetition, with a change of names and dates, of what had taken place on 18ll."*

On the other hand, the stalwart Benton was a stern opponent of the bank, and he was supported by an able array of statesmen of the first rank.

Webster, and Clay advocated a liberal construction of the Constitution, and were eternally sounding the praises of that instrument as the noblest work of statesmanship, yet, while ascribing to it the most ample powers and authority, they strangely supported the theory that the United States Bank was absolutely necessary to the financial administration of the Federal Government.

Benton was a strict constructionist, and asserted that the general Government was inherently qualified to transact its financial operations without the aid or assistance of any bank or system of banks. He ably maintained the Jeffersonian principles of Government that bank paper should be suppressed.

In a speech delivered in the United States Senate, Benton thus truly describes the immense power of the bank over the Government and the people: -

> *"The Government itself ceases to be independent, it ceases to be safe when the national currency is at the will of a company. The Government can undertake no great enterprise, neither war nor peace, without the consent and co-operation of that company; it cannot count its revenues six months ahead without referring to the action of that company - its friendship or its enmity, its concurrence or opposition - to see how far that company will permit money to be scarce or to be plentiful; how .far it will let the money system go on regularly or throw it into disorder; how far it will suit the interest or policy of that company to create a tempest or suffer a calm in the money ocean.*
>
> *The people are not safe when such a company has such a power. The temptation is too great, the opportunity too easy, to put up and put down prices, to make and break fortunes; to bring the whole community upon its knees to the Neptunes who preside over the flux and reflux of paper.*
>
> *All property is at their mercy, the price of real estate, of every growing crop, of every staple article in the market, is at their command. Stocks are their playthings - their gambling theater, on which they gamble daily with as little secrecy and as little morality and far more mischief to fortunes than common gamblers carry on their operations."*

This unanswerable argument, built on impregnable facts, could not be met by all the eloquence and logic that could be mustered against it by the great Triumvirate - Clay, Webster and Calhoun.

In a message to Congress, President Jackson, in speaking of the banking power, said: -

> *"In this point of the case the question is distinctly presented, whether the people of the United States are to govern through representatives chosen by their unbiased suffrages, or whether the power and money of a great corporation are to be secretly exerted to influence their judgment and control their decisions."*

These pointed shafts from the executive struck home, and rankled in the breasts of those Senators and Representatives who supported the bank and its policy.

When the bank ascertained beyond any doubt that President Jackson was firmly opposed to its further continuance, it began calling in its loans rapidly, the volume of currency was contracted greatly by the bank and its branches, merchants were mercilessly driven to the wall, mills and factories closed down everywhere, and tens of thousands of skilled workmen were thrown out of employment, and their families felt the pangs of hunger, notwithstanding there was abundance in the country.

Every day it tightened its coils around its helpless victims, while President Biddle sat in his office at the bank, and laughed at the needless ruin he wrought among his fellowmen. His course is only paralleled by that of Nero, who is said to have fiddled while Rome was burning.

The great journals of the leading cities, subsidized by loans - presumably - teemed with editorials denouncing President Jackson anti defending the course of the bank.

Distress meetings at the same time and at the same points were held, fiery speeches were made, and strongly worried resolutions were adopted, requesting the President to append his signature to the bill renewing the charter of the bank.

There was a singular identity in the editorials written, in the speeches delivered, and in the resolutions adopted, that gave evidence of a concerted action. This similarity of sentiments and language in the journals, speeches, and resolutions, evinced a most remarkable talent, for combining the various means of influencing President Jackson.

But the hero of New Orleans was as immovable as the Rock of Gibraltar.

Andrew Jackson was in many respects the most remarkable man in American history. A sincere patriot of the purest integrity, with a clearness of mental vision that was unsurpassed, with a profound insight into the principles upon which our Government rested, he plainly saw that the interests of the bank were wholly at variance with that of American liberty.

He well knew that to transfer to a private corporation for its gain, the issuance and control of the currency of the country, and to accumulate in its vaults the national revenues, would eventuate in building up a moneyed monopoly, ultimately controlling the press, the business interests, and the legislation of the nation.

That point was now reached.

He was utterly opposed to the Government abdicating its highest sovereign function,- the issuance and control of the currency, and delegating it to individuals or to corporations for their gain.

He was conversant with the traitorous conduct of the bank during the war of 1812, and he concurred in the declaration of Jefferson that,

> *"Banks of issue were more dangerous to the liberties of the people than standing armies."*

In speaking of the firmness displayed by President Jackson against the arrogance of the bank, the distinguished historian Bancroft says: -

> *"When the period for addressing Congress drew near, it was still urged that to attack the bank would forfeit his popularity and secure his future defeat.*
>
> *The President replied, 'It is not for myself that I care.' It was urged that haste was unnecessary, as the bank had still six unexpired years of chartered existence. 'I may die,' he replied, 'before another Congress comes together, and I could not rest quietly in my grave, if I failed to do what I hold so essential to the liberty of my country.' "*

Bancroft further says, that, upon one occasion when the bank conflict had reached its greatest height, the President and some of his friends were standing over the rocks of the Rip Raps, looking out upon the ocean, when the subject of chartering the bank was brought forward, whereupon the President remarked,

> *"Providence may change my determination; but man no more can do it than he can remove these Rip Raps, which have resisted the rolling ocean from the beginning of time."*

History fails to record a nobler sublimity of purpose than that displayed by President Jackson during the war of the bank upon the people.

Notwithstanding the immense pressure brought to bear upon him, President Jackson, on the 10th day of July, 1832, returned the bill to the Senate, whence it originated, accompanied with his veto message, which was a masterly exposition of his views upon the true principles of free Government, and it ranks in importance with the Declaration of Independence.

The first reason assigned by the President in his objections against the 'renewal of the charter of the bank was, that it created a monopoly under the authority of the general Government, and, therefore, it increased the value of its stock far above its par value, which operated as a gift of many millions to its stock holders.

The President laid down the fundamental principle that a monopoly should only be granted when it returned a fair equivalent to the people.

He showed that while its capital stock was fixed at $28,000,000, to confer this privilege upon the bank would add the enormous sum of $17,000,000 to the value of the stock, and for this immensely valuable franchise the Government would receive the pitiful sum of $200,000 per annum.

The President advocated the sale of the stock to the highest bidder, and that the premium received there from by the Government be paid into the national Treasury to lighten the burdens of taxation in lieu of its bestowal upon a few wealthy citizens.

He stated that $8,000,000 of the stock of the present bank was held by foreigners, chiefly in England; that this was the most dangerous feature of the plan; that a majority of the shares of its stock might fall into those alien hands, and that in the event the United

States would be involved in war with that nation, thus holding a large amount of the stock of this great bank monopoly, its influence would be thrown against the United States.

The President says: -

> *"All its operations within would be in aid of the hostile fleets and armies without. Controlling our currency, receiving our public moneys, and holding thousands of our citizens in dependence, it would be more formidable and dangerous than the naval and military power of the enemy."*

He produced figures demonstrating the sectional character of the bank, that out of $35,000,000 of stock, $8,405,500 were held chiefly by Great Britain; only $140,200 were held by the nine great western states; $3,455,598 in the four southern states, and $13,522,000 in the eastern and middle states.

That in 1831, the profits of the bank were $3,455,598 of this amount the western states contributed $1,640,048; the four southern states $352,507, and the middle and eastern states $1,463,041.

It will be ascertained that under the operations of this banking monopoly, the agricultural states of the West were paying heavy tribute to the East.

It was further pointed out by the President, that the principle of taxation involved in the bill was radically wrong in this: that only the stock could be taxed where held. Therefore, while the nine western states paid $1,640,048 in profits to the bank, only $140,200 of its stock was held there subject to taxation; that, in the year 1831, the branch bank at Mobile earned dividends of $95,140, yet the state of Alabama could not tax the property of the bank, because not a single share of its stock was owned in its jurisdiction.

The foreign stock holders could not be taxed a single penny on their holdings, as they were beyond the taxing power of the United States. The foreign stock holder would be drawing large dividends from the America people without bearing any of the burdens of government. This would tend to alien ownership of this bank, non-contribution to the burdens of Government creating this valuable privilege, and a continued drainage of specie to foreign nations.

The fourth section of the proposed law provided: -

> *"That the bills and notes of said corporation, although the same be, on the faces thereof, made payable at one place only, shall, nevertheless, be received by the said corporation at the bank or at any of the offices thereof, if tendered in liquidation or payment of any balance or balances due to said corporation, or to such office of discount and profit from any other incorporated bank."*

The right thus conferred upon state banks to pay their debts to the United States Bank, with the notes and bills of any branch bank thereof, would tend to unify the whole banking interest of the nation into a powerful combination, while at the same time, any individual who held currency issued by a branch of the United States Bank, situated at any other place than his residence, was deprived of that right, therefore, be would be compelled to discount the bills of the branch bank, or transmit them to Philadelphia to obtain the cash for them.

These were a few of the reasons assigned by the President in his famous veto message.

It is now conceded by the most eminent historians of America, that General Jackson, in throttling the corrupt and unscrupulous money power of that day, saved the nation.

On the 8th of January, 1815, General Jackson had met the veterans of Wellington at New Orleans, and inflicted upon them the most disastrous defeat ever suffered by England, and shed undying renown upon American arms. He saved America then, and he preserved its independence in 1832.

By act of Congress, June 28, 1834, a change was made in the coinage laws of April 2, 1834. At the act, the legal ratio of silver to gold was fixed at fifteen to one, that is, fifteen pounds of pure silver were the legal equivalent of one pound of pure gold, and this ratio was maintained until the passage of the act of June 28, 1834.

France and the other Latin States maintained a legal ratio of fifteen and one half to one. Consequently the United States over-valued silver when compared with gold. The bullion dealers, ever on the alert for a profit, sent the gold abroad and sold it at a premium.

To remedy this, the act of June 28, 1834, reduced the quantity of gold in the gold eagle from 2471/2 grains of pure gold to 232 grains, or a reduction in the ten dollar gold piece from 270 grains of standard gold to 258 grains. A corresponding reduction was made in the half-eagle and quarter-eagle. A fraction over six per cent of gold bullion was therefore deducted from the gold coins.

This made the legal ratio of silver to gold stand at sixteen to one. By this act, silver was undervalued and gold made its appearance in circulation, and silver disappeared from the channels of trade.

The object of the passage of this law was to supersede the United States Bank bills by the substitution of gold coin as a circulating medium. The people remembered the great efforts of the bank to monopolize the entire volume of money in the country, and gladly received the two and one half, five and ten dollar gold pieces in preference to bank notes.

This substitution of gold coin for bank notes greatly diminished the profits of the bank, and it immediately declared war upon that coin. Its subsidized press, its minions and dependents denounced this species of money in terms of ridicule. The subservient tools of the bank, when offered gold coin in the ordinary transactions of business, would shudder and recoil at its appearance, and demand United States bank notes as the superior money.

In the meantime, however, in 1832, a presidential election was held. Henry Clay was put forward as the candidate of the Whigs and of the bank power. Andrew Jackson was the candidate of the Democratic party, and represented the principles of Jefferson. Jackson received two hundred nineteen electoral votes to forty-nine for Clay. The prophecies of those Democrats that Jackson had ruined the party by his contest with the bank were refuted by a decisive vote of the people.

REMOVAL OF THE GOVERNMENT DEPOSITS

The next step taken by the President to curtail the power of the bank for mischief, was the removal of the government deposits amounting to many millions of dollars.

After the bank so signally failed to obtain a renewal of its exclusive banking privileges, it did not alleviate from its policy of inflicting distress and ruin upon the people.

From the 1st day of August, 1833, to the 30th of June, 1834, it continued its contraction of the currency by calling in its loans, giving as its reasons therefore, that the Government was harassing it on every hand. It had ample time in which to arrange its affairs without seriously crippling the business of the country and its excuse was not valid.

Although many millions of public revenues were under its sole charge, constituting a loanable fund for the benefit of the bank, its hireling press teemed with abuse against the administration of President Jackson.

The President, in view of all the facts within his knowledge, entertained the opinion that the bank was insolvent, and an unsafe depository for the public moneys. He had previously communicated his belief to Congress as to the unsafe condition of the bank, but such was its influence in that body, that the House of Representatives, by a practically unanimous vote, declared its confidence in the institution.

In the lawful exercise of his powers, the President ordered the Secretary of the Treasury, through the five government directors, to investigate its financial condition. The directors made a demand upon the bank for an inspection of its books, but they were denied access to them. In the face of the obstacles thrown in their way to ascertain its true condition, the directors made an investigation with astonishing results.

To obtain a full, true, and complete statement of the expenditures of the bank for political purposes, the official directors submitted a resolution to the full board of the bank, requesting the cashier to furnish a statement to the board, as early as possible, showing what amount was paid out for certain purposes, the sums of money paid to each person, the quantity and names of documents furnished by him, and his charges for the distribution of them.

Similar statements were requested from the various branch offices of the bank. The resolution was voted down by the board of directors, and a substitute was adopted expressing in explicit confidence in the course of its president - Nicolas Bible.

Subsequent events gave satisfactory explanation why the officials of the bank pursued that course in refusing an inspection of the books. Upon a report of the government directors setting forth these facts, the President assumed the responsibility of removing the public moneys from the bank, and distributed them among the various state banks.

In this course he met decided opposition to this order in his cabinet. The Secretary of the Treasury, William J. Duane, peremptorily refused to obey the command of his chief, and for this act of insubordination he was summarily removed from his office.

Attorney General Taney was appointed to fill the vacancy occasioned by Duane's removal, and the order was executed to the letter.

The bold stand taken by the President in the removal of the deposits, stirred up the wrath of the bank party in Congress, and Henry Clay offered a resolution in the United States Senate as follows: -

> *"Resolved, That the President in the late executive proceeding in relation to the public revenue, has assumed upon himself authority and power not conferred by the constitution and laws, but in derogation of both."*

This resolution censuring President Jackson was adopted by the Senate on the 28th of March, 1834.

The bank pointed to this action of the senate as proof of its great power.

On the 15th day of April, 1834, President Jackson transmitted a message to the Senate, respectfully protesting against this implied impeachment of his official acts. His communication to that body was a magnificent exposition of constitutional law, and he severely arraigned the senate for passing judgment upon him without granting him an opportunity to be heard in his defense.

Three years afterward, the resolution of Clay was expunged from the journals of the senate.

The President was fated to emerge triumphant from every contest with the banking power.

The bank still continued its warfare upon the people. It avowed its purpose to precipitate a widespread panic. It announced its intention to crush the business of the nation, unless the order of removal was recalled, and the deposits restored. The pressure brought to bear by the bank was directed at the chief commercial and industrial centers. The havoc wrought by-it was as broad, as the range of its operations, and its course was sustained by politicians as one of self defense.

Public men who were deeply indebted to it openly upheld its conduct. One of these purchasable demagogues owed the bank the great sum of $100,000, and his defense of his owner was in direct proportion to his obligation to his master - the bank.

One loan of $1,100,000 was made by it to a broker in New York City, at which time it was steadily contracting the currency at every point where it was represented by an office. The broker to whom this immense loan was made, accumulated a fortune by speculating with this money upon the misfortunes of others.

Distress meetings were held everywhere under the auspices of the bank, resolutions were adopted, and memorials were presented to the President, requesting him to rescind his order of removal, but without avail.

The presidents, vice-presidents, and various other officers of the so-called distress meetings were selected from those who had supported Jackson for the presidency, which fact was always announced to the people. The petitions, memorials, and remonstrances presented to the President but served to strengthen his determination to crush the bank, and the last fangs of the oppressors were pulled by the removal of these deposits amounting to $40,000,000.

It must be borne in mind, that during the administration of Jackson, a controversy arose between the United States and France with reference to the depredations committed upon our merchant marine by the latter nation during the Directory. A treaty had been concluded by the administration with the kingdom of France on the 4th of July, 1831, by the provisions of which, the latter power agreed to pay the United States the sum of $5,000,000, as indemnity for such depredations.

The French authorities failed to pay the first installment thereof, and the Secretary of the Treasury, under the direction of the President, drew a bill of exchange upon France for the amount. The bill was transmitted to Paris through the United States Bank as the fiscal agent of the Government. The authorities of France refused to honor the bill, and it was protested, whereupon the bank seized upon the Government funds in its possession to the amount of $170,040 which it claimed as damages for the protestation of the bill.

This high handed procedure was clearly illegal on the part of the bank, and violative of the Constitution which provides that no money shall be drawn from the treasury, except through appropriations made by Congress.

To force a suspension of specie payments by state banks of issue, it drew immense bills of exchange on Paris, where it had no money, for the payment of them, then drew vast sums of specie out of the banks of New York City, and transmitted it to Paris to meet the bills so drawn by it.

In speaking of the course of the bank, in attempting to force a suspension of specie payments by the state banks of issue, Mr. Royall says: -

> *"It was certainly not too good to do so, and in the year 1841, just before it finally expired, it is proved to have attempted to create a general suspension, by forcing the banks of the city of New York to suspend. The manner of this attempt was afterward related by its cashier. It consisted in selling bills in unlimited quantities on Paris - at this time in great demand - where it had not a cent to meet them, and drawing the coin with the proceeds of these sales out of the New York banks and shipping it abroad to meet these bills as they made their appearance there. The bills, however, got to Paris before the coin, came back protested, and the great bubble was finally pricked."*

This act was committed by the bank to embarrass the government, to emphasize the panic then beginning to rage, and to bankrupt the business interests of the nation.

In short, no trick, device, or artifice was too villainous or traitorous for the bank to injure the credit of the Government and the happiness of the people.

The bank again failed to obtain a charter in 1841.

The rottenness of the bank then became known, and a complete investigation into its management from 1830 to 1836, instituted by the stockholders, developed an astonishing degree of villainy, corruption, and rascality that was appalling, and the results of which more than sustained the charges brought against it by President Jackson and his supporters.

It was discovered that hundreds of thousands of dollars were expended by President Biddle in influencing elections, subsidizing the press, and bribing members of Congress.

The stockholders, on the completion of this investigation, instituted a suit against President Biddle in the United States circuit court at Philadelphia, for the sum of $1,018,000 expended by him for which no vouchers could be found.

It was further demonstrated that, from 1830 to 1836, during the struggle of the bank for a new lease of corporate life, loans, aggregating more than $30,000,000, were made by its president to members of Congress, editors of newspapers, politicians of all grades, jobbers and brokers, mostly without security.

Perhaps all the facts connected with its management were never made known, on the ground of public policy, as the reputations of many eminent men, not excepting presidential candidates, would have been utterly ruined.

In speaking of the contest between the bank and President Jackson, Parton, the biographer, says: -

> *"In these Jacksonian contests, therefore, we find nearly all the talent, near1y all the learning, nearly all the ancient wealth, nearly all the business activity, nearly all the book-nourished intelligence, nearly all the silver-forked civilization of the country, united in opposition to General Jackson, who represented the country's untutored instincts."*

Parton further says that Jackson was called a murderer, a traitor, an ignoramus, a fool, a crook-back, a pretender, and various other vile names.

Nicolas Biddle, who, to a very large extent, was responsible for the gigantic conspiracies, bank-panic with their resultant ruin and misery, was driven in disgrace from his exalted position, and he died a shameful death almost unknown, unhonored, and unsung.

The man before whom bowed in fawning adulation great and wise statesmen, merchant princes, editors of powerful journals, and leaders of public opinion; he, who, in the magnitude of his financial plans and undertakings, rivaled the money kings of Europe; he, who arrayed dollars against the immutable principles of justice and the rights of man, lived to see his name become a by-word, a hissing, and a reproach.

The career of the United States Rank and its president is an awful monument of warning on the highway of time to come, an object lesson to that colossal greed of power, which, to tighten its grip upon the people, scatters distress and ruin in its train, and which, from its ramparts of ill-gotten wealth obtained by monopoly and special privileges, defies the laws of man and the laws of God.

On the other hand, the fame of Jackson shines more and more with the lapse of time.

Thomas Jefferson, the founder of American Democracy, and the friend of the human race, is honored as

the great constructive statesman of America; Andrew Jackson is revered as that great leader who regenerated the politics of his country, and rescued a people from financial slavery. During his administration, the public debt was wholly paid, a large surplus of public revenues accumulated to the credit of the United States, the money power was dethroned, the American nation was honored everywhere, and he retired from the presidency amid the plaudits of his countrymen.

In his farewell address to the people, March 3, 1837, he solemnly warned them against the money power, that special privileges must not be granted to any class of citizens, and that justice must be the basis of public and private conduct.

In this noble document, the President admonishes the people to be on their guard against the money power. He says: -

> *"But when the charter for the bank of the United States was obtained from Congress, it perfected the paper system, and gave to its advocates the position they have struggled to obtain from the commencement of the Federal Government down to the present hour.*
>
> *The immense capital and peculiar privileges bestowed upon it, enabled it to exercise despotic sway over the other banks in every part of the country. From its superior strength it could seriously injure, if not destroy, the business of any one of them that would incur its resentment; and it openly claimed for itself the power of regulating the currency throughout the United States.*
>
> *In other words, it asserted (and undoubtedly possessed) the power to make money plenty or scarce, at its pleasure, at any time, and in any quarter of the Union, by controlling the issues of other banks, and in permitting an expansion, or compelling a general contraction of the circulating medium according to its own will.*
>
> *"The other banking institutions were sensible of its strength, and they soon became generally its obedient instruments, ready at all times to execute its mandates; and with the other banks necessarily went also that numerous class of persons in our commercial cities who depend altogether on bank credits for their solvency and means of business, and who are therefore obliged, for their safety,*

to propitiate the favor of the money power by distinguished zeal and devotion in its service.

The result of the ill-advised legislation which established this great monopoly, was to concentrate the whole moneyed power of the Union, with its boundless means of corruption, and its numerous dependents, under the direction and command of one acknowledged head; thus organizing this particular interest as one body, and securing to it unity of action throughout the United States, and enabling it to bring forward, upon any occasion, its entire and undivided strength to support or defeat any measure of the government. In the hands of this formidable power, thus perfectly organized, was also placed unlimited dominion over the amount of circulating medium, giving it the power to regulate the value of property, and the fruits of labor in every quarter of the Union; and to bestow prosperity, or bring ruin upon any city or section of the country as might best comport with its own interests or policy.

"We are not left to conjecture how the moneyed power, thus organized, and with such a weapon in its hands, would be likely to use it. The distress and alarm which pervaded and agitated the whole country, when the Bank of the United States waged war upon the people in order to compel them to submit to their demands, cannot yet be forgotten. The ruthless and unsparing temper with which whole cities and communities were oppressed, individuals impoverished and ruined, a scene of cheerful prosperity suddenly changed into one of gloom and despondency, ought to

be indelibly impressed on the memory of the people of the United States. If such was its power in a time of peace, what would it not have been in a season of war, with an enemy at your doors. No nation but the freeman of the United States could have come out victorious from such contest; yet, if you had not conquered, the Government would have passed from the hands of the many to the hands of the few; and this *organized money power, from its secret conclave, would have dictated the choice of your highest officers, and compelled you to make peace or war, as best suited their own wishes. The form of your Government might for a time have remained, but its living spirit would have departed from it."*

The wise counsel coached in these golden words of President Jackson are now more applicable than when uttered by him.

In the election of 1836, Martin Van Buren succeeded Jackson in the presidency. The panic engineered by the bank enveloped the people, and the whole system of credit built up by it fell with a crash.

In fact the bank had so shrewdly manipulated the volume of money, and so absolute was its control over it, that society had resolved itself into two classes, a creditor class, small in numbers, but powerful in influence; a debtor class, constituting a great majority of the people, but helpless in the grasp of the creditor class.

One was the master, the other the servant.

During the administration of Van Buren, the Independent Treasury Bill became a law.

Thus the work begun by Jackson in-crushing the bank, was consummated by the separation of the public moneys from those of the banks - a most salutary reform.

CHAPTER II.

ORIGIN OF THE PRESENT NATIONAL BANKING SYSTEM

> *"She is not dead, but holding her capital and stock holders together under a state charter, she has taken a position to watch events and also to profit by them. The Royal tiger has gone into the jungle; and, crouching on his belly, he awaits the favorable moment emerging from his covert and springing on the back of the unsuspicious traveler."* - Thomas H. Benton

> *"Bank paper must be suppressed and the circulation restored to the nation to whom it belongs.*

> *"The power to issue money should be taken from the banks and restored to congress and the people.*

> *"I sincerely believe that banking establishments are more dangerous than standing armies.*

> *"I am not among those who fear the people. They and not the rich, are our dependence for continued freedom. And to preserve their independence, we must not let our rulers load us with perpetual debt.*

> *"Put down the banks and if this country could not be carried through the longest war against her most powerful enemy without ever knowing the want of a dollar, without dependence upon the traitorous class of her citizens, without bearing hard upon the resources of the people or leading the public with an indefinite burden of debt, I know nothing of my countrymen."*- Thomas Jefferson.

In the preceding chapter, the career of the United States Bank was traced from its origin to its downfall.

It was there shown that the United States, by transferring its sovereign power of issuing currency to accumulate as money among the people, and delegating to a private corporation, had, in a period of less than fifty years, built up a monopoly that threatened to pull down the pillars of the republic.

That the panics of 1811, 1833, and 1837-41, with their consequent ruin of tens of thousands of industries, with the attendant circumstances of hunger, suffering, and starvation, were designedly produced by the bank to overawe Congress and the President.

That it secured the powerful political influence of Webster, Clay, and Calhoun on the floor of the United States senate as the champions of its interests.

That the press of the country, to a very large extent, succumbed to its moneyed influence.

That it attempted to crush the beneficient administration of President Jackson.

We now come to consider a system of national banking, compared with which, the old United States Bank was a pigmy.

In 1861, when the Southern states attempted to withdraw from the Union, the result was that great conflict known in history as the civil war. Throughout its progress, the mass of the people were intently engaged with the gigantic operations constantly carried on during that period, and, therefore, little attention was paid by them to the financial legislation, enacted by Congress.

When the North and the South were marshaling their respective armies to determine the question of military supremacy, the weight of foreign influence was thrown to the southern cause. Great Britain, from her antipathy to the people of the United States, early recognized the Confederacy, and her course was followed by France and Spain, but the latter powers did not resort to the extreme measures of England.

During the early period of the war, immense sums of money were needed by the Federal Government to arm, equip, and maintain her numerous armies and fleets necessary for the suppression of the rebellion.

Heavy taxes of various kinds were levied and collected for the payment of the extraordinary expenses incurred by the war, but this was insufficient to meet the expenditures. Resort was had to borrowing money on the credit of the United States by the sale of bonds.

At that time as at present, New York City was the financial center of the country. August Belmont & Co. were the American agents of the Rothchilds, and the former advised this great banking house that there would be much risk in purchasing American bonds.

The Rothchilds were located in the city of London, England, with branch banks at Paris, Frankfort, Berlin, and Vienna.

From the year 1800, up to the outbreak of the civil war, the United States had made astonishing progress as a commercial nation, our commerce had rapidly grown to be the second largest in the world, and it promised, ere long, to surpass that of Great Britain, who had long looked with jealous eye on the remarkable growth of the American merchant marine. She had for centuries prided herself as the "Mistress of the Seas," and had long feared that this republic would snatch its supremacy from her, and thus relegate her to a second rate power.

Hence, upon the outbreak of the war, the rejoicing in England was immense, and British statesmen predicted the success of the Confederacy. Nor was this all. England aided the South by money, munitions of war, by the recognition of her belligerency, and by her moral support.

It was evident that no money could be secured from England by the United States to maintain the supremacy of the Constitution, for nations, like men, are governed in their money transactions largely by their likes and dislikes.

In 1861, the money in circulation in the United States consisted of gold and silver coins, and state bank currency. As the expenses of the Government in 1861-62 were many millions of dollars in excess of its income, and as but little money could be had by the sale of its bonds, recourse was had to issuing paper money.

By the acts of July 17th, and August 5, 1861, the Secretary of the Treasury was authorized to issue demand notes to the amount of fifty millions of dollars, and these notes were made full legal tender for all debts and demands, both public and private. This was not the first time that the Federal Government had issued its notes to circulate as money. It will be remembered that during the war of 1812, the Government had resorted to this means, a precedent followed by the administrations of Van Buren, Polk, and Buchanan.

These notes so issued at these various times were maintained at a parity with gold and silver coin, and were a favorite money of the people. History records the fact that no less than twenty issues of paper money were emitted by the general Government prior to the year 1862; that the people never questioned its value and efficiency as a medium of exchange. These various issues of currency were uniformly receivable by the government in payment of its taxes and revenues.

During the perilous times of the nation, when bankers and financiers refused to loan money to it, the issue of full legal tender paper money never failed to come to the rescue, while cowardly gold fled to the rear.

Therefore, the fifty millions of demand notes issued under the authority of the acts of July 17th and August 5, 1861, having unlimited legal tender power for the payment of all demands, never depreciated a farthing.

Subsequent to the passage of this act, a bill was introduced in Congress providing for the issue of non-interest bearing treasury notes to the amount of $150,000,000 with full legal tender power for the payment of all debts and demands, public and private.

Immediately, from the leading cities of the country, a horde of bankers, or as Hon. Thaddeus Stevens aptly termed them, *"A delegation of bankers and coin venders,"* hastened to Washington, organized themselves, and requested the Committee on Ways and Means of the House, and the Finance Committee of the Senate to meet with them at the office of the Secretary of the Treasury. Their request was complied with on the 11th day of February, 1862.

Owing to some peculiar and powerful influence, then and there exerted by these organized bankers on these committees, the legal tender clause was modified to read as follows: -

> *"That the amount of the two kinds of notes together shall at no time exceed the sum of $150,000,000, and such notes herein authorized shall be receivable in payment of taxes, internal duties, excises, debts, and demand of every kind due to the United States, except duties on imports, and of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes which shall be paid in coin, and shall also be lawful money and a legal tender in the payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid."*

This proposed amendment was severely criticized by Mr. Stevens, of Pennsylvania, and by Mr. Spaulding, of New York. During the debate upon the bill as amended, Mr. Stevens denounced the demands of the bankers and said: -

> *"A doleful sound came up from the caverns of the bullion brokers and the saloons of the associated banks. Their cashiers and agents were soon on the ground, and persuaded the Senate with but little deliberation to mangle and destroy what it had cost the House months to digest, consider and pass.*
>
> *"Instead of being a beneficient and invigorating measure, it is now positively mischievous. It has all the bad qualities which, its enemies charged on the original bill and none of its benefits. It now creates money and by its very terms declares it a depreciated currency. It makes two classes of money - one for banks and brokers and another for the people. It discriminates between the rights of different classes of creditors; allowing the rich capitalist to demand gold and compelling the ordinary lender of money on individual security to receive notes which the Government had purposely discredited."*

Mr. Stevens further said: -

> *"Who is this favored class? The bankers and brokers and nobody else. But how is this gold to be raised? The duties and public lands are to be paid for in United States notes, and they or bonds are to be put up at auction, to get coin for these very brokers, who would furnish the coin to pay themselves by getting twenty per cent, discount on the notes thus bought."*

While on his death bed, the Great Commoner, as his friends loved to call him, recalled the action of Congress in demonetizing the greenback at the instigation of the banks. In speaking of the bankers he said: -

"We were foolish to grant them gold interest, and now they unblushingly demand further advantages. The truth is we can never satisfy their appetite for money."

The amendment of Mr. Stevens to place officers and soldiers of the army and navy, and those who should furnish them with provisions upon the same standing as the bankers and brokers, was defeated by a vote of 72 to 67.

In denouncing the amendment striking out the legal tender clause, Senator John Sherman spoke as follows; -

"If you strike out this legal tender clause you do it with the knowledge that these notes will fall dead upon the money market of the world; that they will be refused by the banks; that they will be a disgraced currency that will not pass from hand to hand; that they will have no legal sanction; that any man may decline to receive them, and thus discredit the obligations of the Government.

I ask again if that is just to the men to whom you have contracted to pay debts? When you issue demand notes and announce your purpose not to pay any more gold and silver coin, you tender to these who have furnished provisions and services this paper money. What can they do? They can not pay their debts with it, they can not support their families with it, without a depreciation."

He further said in this speech of February 13, 1862, that

"I much prefer the credit of the United States, based as it is upon all the productions and property of the United States, to the issues of any corporation, however guarded and managed."

This language of Senator Sherman was that of undoubted patriotism, and it is strongly condemnatory of his subsequent public career, during which he became the active ally of the national banks.

Mr. Kellogg, of Illinois, thus scored the greed of these men. He said: -

> *"I am pained to sit in my place in the House and hear members talk about 'the sacredness of capital, that the interests of money must not be touched.*
>
> *Yes, sir, they will vote six hundred thousand of the flower of the American youth for the army to be sacrificed without a blush, but the great interests of capital, of currency, must not be touched. "*

In referring to the grand struggle made by Mr. Stevens for full legal tender currency, Judge Kelley said: -

> *"I remember the grand old Commoner with his hat in his hand and his cane under his arm, when he returned to the House from the final conference, shedding bitter tears over the result. 'Yes,' said he, `we have had to yield.*
>
> *The Senate was stubborn. We did not yield until we found that the country must be lost or the banks be gratified; and we have sought to save the country in spite of the cupidity of its wealthiest citizens.' "*

The bankers thus succeeded in limiting the legal tender power of the Treasury note, or as it is commonly called, the greenback, and from this time on the bankers, brokers, and speculators have, with few exceptions, dictated the financial legislation in the United States.

This amendment, by which the debt paying power of the Treasury note was restricted within such narrow limits, was a most dishonest act on the part of the government.

It drew distinctions between the various kinds of money issued by the United States. It made the bankers and bond holders a privileged class, and it inflicted a wound upon the nation from which it has not yet recovered. It made gold and silver coin the money of the privileged classes, who composed that traitorous element so justly denounced by Jefferson.

By force of this amendment, coin went to a premium, thereby greatly enhancing the wealth of the bankers and bullion brokers.

Moreover, the principle involved in that act greatly weakened the most powerful element of sovereignty that can reside in a nation, by placing the control of the value of money in the hands of organized greed, in this case the gold gamblers of Wall Street.

It laid the foundation of a stupendous public debt, which the holders thereof would strive to perpetuate by every means in their power, and it was the first step to fasten on the people the most powerful and merciless tyranny that ever cursed a free people - the centralized money power known as the national banking system.

The bill, as amended, became a law on July 11, 1862, and, from that time, began the depreciation of the greenback currency.

The banking power, which had succeeded in inducing Congress and the President to cripple that currency, which eventually saved the Union, afterward pointed the finger of scorn at this money as a debased currency, and they, therefore, impliedly damned their own nefarious conduct by denouncing it as "rag-baby" money.

As a result of this act as amended, the merchant who paid duties on merchandise imported from abroad was compelled to pay the taxes levied thereon, in coin. To obtain that kind of money he must proceed to the bullion broker, and pay him a large premium for the coin to make his payment of the customs levied on his merchandise.

The bond holder was paid his interest on government bonds in gold, which was afterward sold by him to the importer, at a high premium.

This legislation was the result toward which the bullion brokers and gold gamblers of Wall Street bent all their energies to procure, when they induced the government to rob the greenback of its full legal tender debt-paying power. It was the consummation of the most dishonest financial scheme ever perpetrated upon a heavily taxed and patriotic people.

Immediately following the visit of these bankers to Washington, a circular was issued by the London bankers, and distributed by one Hazard, who was their representative in this country at that time.

The contents of this famous circular are as follows: -

> *"Slavery is likely to be abolished by the war power and chattel slavery destroyed. This I and my European friends are in favor of; for slavery is but the owning of labor and carries with it the care of the laborer, while the European plan, led on by England, is capital control of labor by controlling wages. This can be done by controlling the money.*
>
> *The debt that capitalists will see is to be made out of the war, must be used as a measure to control the volume of money. To accomplish this, the bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make his recommendation to Congress. It wil1 not do to allow the greenback (as it is called) to circulate as money any length of time, for we cannot control it."*

The existence of this remarkable circular has been strenuously denied time and again by the national banking money power. Notwithstanding these denials, the line of action indicated in that circular has been consistently pursued from that day to this.

The advice of said Hazard, was at once acted upon by the organized banks, and they proceeded to make known their demands to Congress.

Therefore, a bill was speedily brought forward by Senator Sherman in the United States Senate, providing for the incorporation and organization of the present system of national banks as banks of issue - a bill whose passage meant the creation of moneyed institutions, whose interests would be, or could be made, antagonistic to the nation.

Is it not exceedingly strange, that Senator Sherman, who, in his able speech of February 13, 1862, advanced powerful arguments in behalf of Government legal tender currency, or greenbacks, in which he stated that he preferred the credit of the United States, based, as it was, upon all the productions and property of the people, to the issue of any corporation however well guarded and managed, would thus suddenly change his position?

In less than a year from the time he so ably defended legal tender greenback currency, he reversed his position, and fathered a financial measure which brought into being a dangerous rival to the Government when it was engaged in a death struggle.

In substance, this act provided for the incorporation of banking companies, by which not less than five persons could, under certain restrictions, organize a bank, by depositing with the Secretary of the Treasury

United States bonds to secure the circulation of national bank notes as currency.

The capitalists thus organizing themselves into a national bank association, were required to enter into articles of association which should specify, in general terms, the object for which the association was formed.

These articles were to be signed by the persons uniting to form the association, and a copy of them was to be forwarded to the Comptroller of the Currency to be filed and preserved in his office.

No association could be organized as a national bank with a less capital than one hundred thousand dollars; except that banks with a capital of not less than fifty thousand dollars could, with the approval of the Secretary of the Treasury, be organized in any place having a population not exceeding six thousand inhabitants.

Upon a deposit of United States bonds, the banking associations were entitled to receive from the Comptroller of the Currency, circulating notes, of different denominations, in blank, registered or countersigned, equal in amount to ninety per centum of the amount of the current market value of the bonds so deposited by the association with the Comptroller, but in any case the circulating notes were not to exceed ninety per centum of the par value of the said bonds, if bearing interest at a rate of not less than five per cent per annum; and the amount of circulating notes to be furnished to each association shall be in proportion to its paid-up capital as follows, and no more: -

1. To each association whose capital does not exceed five hundred thousand dollars, ninety per centum of such capital.

2. To each association whose capital exceeds five hundred thousand, but not exceed one million of dollars, eighty per centum of such capital.

3. To each association whose capital exceeds one million of dollars, but not exceed three millions of dollars, seventy-five per centum of such capital.

4. To each association whose capital exceeds three millions of dollars, sixty per centum of such capital.

The law further provided that after any association receiving circulating notes under this act, and has caused its promise to pay such notes on demand to be signed by the President, or Vice-President, and cashier thereof in such manner as to make them obligatory promissory notes payable on demand, at its place of business, such association may issue and circulate the same as money.

And such notes shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except duties on imports, and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and in redemption of the national currency.

This act also provided that, in lieu of all existing taxes, each association should pay a duty of one per cent per annum upon the average amount of its notes in circulation, and one-half of one per cent per annum upon the average amount of its deposits, and a duty of one-half of one per cent per annum on the average amount of its capital stock beyond the amount invested in United States bonds.

Furthermore, these national banking associations were authorized to institute suits at law in the United States courts as courts of original jurisdiction.

This provision gave the national banks an advantage over the ordinary citizen, and placed these associations beyond the jurisdiction of the State courts; in other words, these banks could select whatever court their interest dictated.

It will at once be ascertained, from a study of the national banking law, that the capital of the associations was nearly doubled by act of Congress.

In the first place, bonds, deposited by them to secure their circulation drew interest payable in gold, at this time at a high premium. Second, the circulating notes issued to them by the United States, although promissory notes payable on demand and therefore debts of the banks, were nominally money, and were loaned out at a high rate of interest to the customers of the national banks.

The United States Government gave the wealthiest men of the country, in the time of its greatest peril and distress, a gratuity equal to ninety per centum of their banking capital.

This scheme engineered through Congress by the money power, greatly tended to centralize the currency in the large cities, and, therefore, made it master of the productive energies of the American people, as the vast majority of the bonds were held in New York City and other centers of wealth and population.

It made the circulating notes of these banks a rival to the greenback currency, and it would be to the interest of the national bankers, by every means in their power, to drive out and destroy the paper money issued by the Government.

This law placed it in the hands of the money power to contract or expand the volume of money at its pleasure, and therefore, enhance or depreciate the value of stocks, bonds, and all other forms of property in the United States.

The far-reaching influence of this act of Congress, chartering national banks, becomes apparent, when the true principles and functions of Government are considered in all their relations to the people.

Pre-eminent among the various powers conferred upon, or assumed by a sovereign state, are those of taxation, of raising armies, and of coining, issuing, and controlling the volume of money.

The first named power, that of taxation, is only limited by the necessities of the State, and of the amount of property upon which it operates.

A citizen of a state may become the owner of a home through arduous toil and life-long rigid economy, yet, the state, when invoking the power of levying and collecting taxes, may sweep away this property, not leaving a vestige for the man whose labor and privations created a shelter for himself and family.

In a great case before the highest tribunal of the nation, Justice Samuel P, Miller said that *"The power of taxation is the power to destroy."*

No man who is endowed with a modicum of intelligence would advocate a transfer of this immense power to a private corporation for its gain.

It would amount to the self-destruction of a nation.

The power of raising and maintaining armies is inherent in a sovereign state, and is absolutely necessary for its self-defense, and therefore its self-preservation.

The strong arm of the Government can reach every fireside in the land, and can drag from thence the father, husband, or son, tear him away from the family circle, force him to don the national uniform, to bear arms, and to lay down his life for his country.

No citizen can resist the imperative call of his country when involved in war.

No sane man would advocate the delegation of this high attribute of sovereignty to a corporation for its individual gain, as such transfer of power would inevitably result in frightful oppression.

The power of coining, issuing, and controlling the volume of money is a far more important function of government than the foregoing.

All commerce, exchange, the existence of Government, of civilization itself, hinges upon this mighty function of Government. The power of issuing and controlling money exercises an imperial sway over all productive industry as universal as the law of gravitation upon all matter.

The value of all property, whether of the present time, or of that resulting from the earnings and accumulations of all past generations, depends upon the control of the volume of money,

The power of levying and collecting taxes for the support of the nation, of raising and maintaining armies for its preservation, is dependent upon the control of the currency.

The former is subordinate to the last named power, and consequently involves the very life of the nation.

Yet, in time of the greatest need of the nation, when everything most valuable to man was at stake, this necessary power of Government was delegated to the most traitorous and rapacious system of corporations that ever cursed the people.

By this transfer of sovereign power to the national banking system, the Federal Government divested itself of that never failing resource which secured the independence of the colonies, and which successfully enabled the administration of James Madison to chastise the overweening pride of Great Britain in 1812.

The alienation of this highest function of the nation to the national banking money power was a high crime against the welfare of the country, and it created a powerful moneyed interest antagonistic to the United States.

More than one hundred years ago, the illustrious Jefferson clearly pointed out the dangers of banks of issue. Time and again, he exerted his voice, his pen, and his influence, in warning the people of the consequences that would inevitably flow from such selfish schemes as the transfer of national powers to corporations.

The extreme danger of a sovereign power, in transferring its absolute right of coining and issuing money in whole, or in part, to a private individual, or corporation, has been clearly pointed out by the ablest thinkers of all ages. Such transfers of the powers of a state have universally resulted in extortion and oppression by those to whom this privilege is granted.

Vattel, the great authority on the law of nations, instances several cases.

He places the right of coining money among the prerogatives of majesty, and he relates that Sigismund, King of Poland, having granted this privilege to his vassal, the Duke of Prussia, in the year 1543, the Estates of that country passed a decree in which it was asserted that the king could not grant that privilege, it being inseparable from the crown.

The Kings of France granted the privileges of coining money to lords and bishops, and these grantees .having used that power as an instrument of great oppression, these privileges were cancelled by the crown on account of the great abuses practiced on its subjects.

The history of England furnishes a notable example, for in 1723, one Wood, an Englishman, obtained a royal patent for the coinage of copper half-pence. Wood at once proceeded to flood Ireland with this base coin, and robbed the down-trodden people of that country out of thousands of pounds sterling.

This gross outrage upon that nation aroused the indignation of Swift, and in his "Drapier's Letters" he attacked the Government with such bitter satire, that, in 1725, the patent to Wood was withdrawn.

Parliament, however, granted the scoundrelly Wood an annuity of fifteen thousand dollars per annum for the period of twelve years as an indemnity! The presumption is, that this great sum of money was given to Wood on the grounds that he had surrendered a *"vested right."*

Our Government, in the enactment of this national banking law, gave away its greatest resource in time of peace or war; viz., the power to issue legal tender paper money, a resource that had time and again come to the rescue of the people while the capitalists held aloof.

The principal excuse offered by those who procured the passage of this law was, that it would create a market for bonds, and would aid in the maintenance of the public credit; that, for the consideration of receiving these circulating notes to loan out at interest as money, the bankers, who were the beneficiaries of this law, would lend their assistance to the Government by aiding it to maintain a high price for its obligations.

The very reason advanced by the originators of that system of banking and currency for its creation, became the strongest reason why the Government credit sunk to its lowest point, because, the national bankers, to obtain these bonds as low as possible, would combine to depress the market value of the United States bonds which formed the basis of bank currency.

In fact, the market price of Government bonds rapidly fell to the lowest mark ever known, after the passage of this act, and the national banking money power consequently reaped a harvest reaching into scores of millions.

The same power depreciated the value of greenbacks for the avowed purpose of increasing the premium on gold.

Not satisfied with the immense advantages thus obtained from the Government, during the most critical period of the war, the money power, on the 17th day of March, 1864, succeeded in securing the passage of a resolution through Congress, authorizing the Secretary of the Treasury to pay the interest upon bonds, in advance, not exceeding one year, either with or without rebate for such prepayment, according to his discretion.

The bond holders and bankers were thus enabled to draw their interest in gold one year in advance, dispose of it at a high premium to the government and to those who paid duties on imported merchandise.

In July, 1864, gold rose to a premium of $2.85, and the bond holder, national banker, and gold gamblers fleeced the people out of millions; while the soldier, who was sacrificing his life for his country, was paid in greenbacks purposely depreciated by the government for whose existence he fought.

During the Forty-fifth Congress, Hon. James R. Weaver introduced the following resolution in the House of Representatives: -

> *"Resolved, That the Secretary of the Treasury be and is hereby directed to report to this house whether he has at any time anticipated the payment of interest on the public debt; if so, how much has been paid in advance, and to whom."*

This resolution was referred to the Committee on Ways and Means, and the chairman thereof sent the resolution to the Secretary of the Treasury, Sherman, with a request to state when he could report.

The Secretary, in reply, stated: -

> *"That there was no public document that would give the information required. The department has been in the habit for five years of paying the interest in advance without charging anything."*

This remarkable admission will attract attention for the reason, that the head of the Treasury Department distinctly states that interest had been paid in advance to the bond holders and bankers without any deduction for the use of the money, and that there was no public document that would give the information required.

The obvious reason why there were no public documents in the treasury department, containing a record of the interest on bonds paid in advance was this, that it would show a gigantic robbery of the government by the banks and bond holders, and that it would awaken the just wrath of the people at the subservience of congress to the demands of the gold gambling money power. In a speech delivered by Senator Sherman in advocacy of the national banking law, he said: -

> *"We are about to choose between a permanent system, designed to establish a uniform national currency, based upon the public credit, limited in amount, and guarded by all the restrictions which the experience of man has proved accessory and a system of paper money without limit as to amount, except for the growing necessities of war."*

In this declaration of the senator, he expressly admits that the circulating notes of these banks were based on the credit of the Government.

The truth is, that no safe system of bank currency has ever yet been devised by the wit of man, but that its credit is based upon that of the Government, and the credit of a government rests upon its taxing power, which is its means of self-preservation.

To give an excuse for his change of front from an advocate of a legal tender Government currency, to a champion of the national banking system, the senator uses the following language: -

> *"It is asked, why look at all to the interests of the banks; why not directly issue the notes of the Government, and thus save the people the interest on the debt represented by the circulation? The only answer to this question is that history teaches us that the public faith of the nation alone is not sufficient to maintain a paper currency. There must be a combination between the interests of individuals and the Government."*

This astonishing declaration of Senator Sherman is proven absolutely false by the provisions of his own act, the national banking law, which makes United States bonds the sole security for national bank notes, and compels the Government to act as a redemption agency for the notes of insolvent banks.

As the next step to secure the perpetuation of this robbery of the people, Congress, on the 3rd of March, 1863, authorized the Secretary of the Treasury to issue $900,000,000 in bonds, drawing interest at six per cent., and redeemable in not less than ten nor more than forty years. These bonds could be purchased by lawful money, thereby meaning United States notes and treasury notes.

There was a lapse of six days between the passage of the national banking act and the passage of this act authorizing said bond issue. There was yet one rival in the field which the national banks desired to crush, and this was the state banks of issue, which, at this time, had a circulation of $238,677,218 in state bank currency.

To destroy the state banks as banks of issue, and to drive out of circulation that species of paper money, the national banking money power prevailed upon congress to call into requisition the taxing power of the nation to clear the field of these competitors.

In compliance with their demands, Congress enacted the following law, viz; -

> *"That every national banking association, state bank, or state banking association, shall pay a tax of ten per centum on the amount of notes of any person, or of any state bank or state banking association used for circulation and paid by them."* -

This great tax thus imposed by Congress upon the issues of state bank currency was effectual in successfully accomplishing its purpose.

The state banks, therefore, were driven to the necessity of organizing themselves into national banks, and this tended to a further consolidation of the money lending interests of the country.

During the early part of the year 1864, after the organized banks had secured the passage of the law depriving greenbacks of their legal tender power, and after the passage of the national banking law, one James Buell, Secretary of the New York bankers' committee, issued the following circular to the bankers of the country at large: -

"Dear Sir: It is advisable to do all in your power to sustain such daily and prominent weekly newspapers, especially the agricultural and religious press, as will oppose the issuing of greenback money, and that you withold patronage and favor from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for we can better protect each other. To repeal the law creating national banks or to restore to circulation the Government issue of money will be to provide the people with money, and will therefore seriously affect your individual profit as banker or lender. See your member of Congress at once and engage him to support our interest that we may control legislation."

The appearance of this infamous circular stirred up the wrath of the people, and a wave of indignation swept over the land. The nefarious schemes of the money power were set out in this circular with startling distinctness.

The bankers of the country were urged to combine their power; the press of the country was to be corrupted, and legislation was to be controlled, to effect the purpose of transferring the control of the money of the country to the dictation of the money power.

The associated banks of New York City, in order to conciliate the people who were strongly denouncing the scheme set forth in the circular of Buell, announced that this document was issued without their knowledge or authority.

However, Mr. Buell, whose name was appended to this circular, was rewarded by an election to the presidency of the Importers' and Trailers' National bank, of New York City, a position which has given him much power and prestige as one of the money kings of Wall Street.

The evidence is positive that this circu1ar was issued with the approval, and by the orders of the associated banks of New York City.

In the first place, the advice tendered to the various banks of the country was in complete harmony with the intentions of the money power, and secondly, the national banks, from that day to this, have carried into execution the baleful plan outlined in that document, as the various acts of congress and subsequent history abundantly prove.

It was during the corrupt period of the war that immense grants of public lands were made to railway corporations that donations of United States bonds, amounting to nearly one hundred million of dollars were made to the Pacific railway companies, and this was done during a time when the government was in need of funds to suppress the rebellion.

It was during this period that Congress passed the notorious foreign contract labor law, through the operation of which, the mills, factories and mines of the United States were flooded with the Slavs, Huns, Bohemians, Poles, and various other nationalities of Europe, thereby laying the foundation for the countless race and labor riots, that have disgraced and cursed the manufacturing and mining states of the Union.

After the suppression of the state banks of issue, the next step of the national bank was directed toward the destruction of the greenbacks and United States notes, and, therefore, on the 12th of April, 1866, an act of Congress was duly signed by the President providing for the withdrawal and cancellation of the United States notes and treasury notes.

This act provided that, within six months after the passage thereof, the Secretary of the Treasury was authorized to retire from circulation United States notes to the amount of ten million dollars, and for every month thereafter a sum not to exceed four million dollars.

At, the time of the passage of the act of April 12, 1866, Hon. Hugh McCulloch, a national banker, and a bitter opponent of the legal tender currency, was Secretary of the Treasury. He had gone so far in his opposition to the United States notes and treasury notes as to denounce them as "disreputable, dishonorable money."

Secretary McCulloch immediately proceeded to remorselessly contract the volume of legal tender notes, until $94,000,000 of them were withdrawn from circulation by the issue of interest bearing bonds in exchange therefore.

On the 2nd of March, 1867, an act was adopted by Congress providing for the redemption and retirement of the compound interest notes, which, at this time were outstanding to the amount of $159,000,000 and which circulated as money.

The method of redemption was the substitution of temporary loan certificates in lieu of these notes. The amount of such certificates was fixed at $50,000,000, and they bore interest at the rate of three per cent per annum, and national banks were authorized to count such certificates as part of the Reserve Fund provided in the national banking law.

On July 25, 1868, the Secretary of the Treasury was authorized to issue additional loan certificates to the amount of $25,000,000. The acts of March 2, 1867, and July 25, 1868, made a further contraction of money to the amount of $75,000,000. It will be seen, therefore, that the scheme set forth in the circular of James Buell was being carried out to the letter.

Step by step, the national banking money power was gradually succeeding in driving the legal tender currency out of circulation, in perpetuating the public debt by the issue of long time bonds, and usurping the functions of government by the issue of bank notes. On the 18th of March, 1869, a bill entitled, "An Act to Strengthen the Public Credit," was signed by President Grant.

The provisions of the Credit Strengthening Act declared that the public faith is solemnly pledged to the payment of the interest and non-interest bearing obligations of the government in coin or its equivalent, except where the law authorizing the issue of such obligations has expressly provided that the same may be paid in lawfu1 money, or other currency than gold and silver.

Furthermore, the United States solemnly pledged its faith to make provisions at the earliest practical period for the redemption of the United States notes in coin. This so-called Credit Strengthening Act, by force of its provisions, made every dollar of the bonded debt of the United States payable in gold and silver coin.

It was estimated by the ablest public men of the day that this rascally piece of legislation added six hundred million dollars to the wealth of the national banks and bond holders.

Let it be remembered that this bonded debt was purchased, to a very large extent, with treasury notes purposely depreciated by act of Congress, and that a very large portion of these bonds were bought with greenbacks when the latter were worth but forty cents on the dollar in gold.

It should further be borne in mind, that for more than three years prior to the passage of this act, peace had been restored, the Federal authority was re-established over the South, slavery, the cause of the war, was abolished, the treasury notes and United

States notes were appreciating in value every day since the establishment of peace, which, it was admitted, were continually adding wealth to the holders of United States bonds, therefore, those members of Congress who voted for that measure could not even urge necessity - the last plea of tyrants - as an excuse for voting hundreds of millions of dollars to the least patriotic of American citizens.

Owing to the enormous revenues collected by the Federal Government, the public debt was being rapidly paid, which exceedingly alarmed the national banking money power, who desired the perpetuation of the bonded debt of the United States, for without bonds, there would be no national banks.

Therefore, the national banks sought by every means in their power to secure the perpetuation of the national debt, and this result could be obtained in two ways, first - by in heavy reduction of the public revenues; second - by funding the present debt into long time bonds. During the war heavy duties were laid upon imported goods, taxes were levied on incomes, railway companies, insurance companies, manufacturers, and excises were collected on tobacco and spiritous liquors.

The manufacturing interests of the country were protected from the competition of foreign goods, wares, and merchandise by a very high tariff, while at the same time they were enabled, under the provisions of the foreign contract labor law of July 4, 1864, to import cheap labor by the wholesale from China, Germany, Belgium, Italy, Russia, Austria, and other foreign nations.

It was a matter of prime interest to the manufacturers to maintain the present high rate of duties on imports, and at the same time secure the removal of the taxes on incomes, manufactures, and various other forms of internal revenue.

Moreover, the manufacturers desired the perpetuation of a huge public debt which would necessitate the raising of large revenues to meet the interest charged thereon. Furthermore, it would be to the interest of the national banks and manufacturers that Congress should make extravagant appropriations for the support of the Government.

The subsequent action of these two interests taken in connection with the legislation procured by them from congress, abundantly prove that the foregoing statements are true.

Hon. William D. Kelley, member of Congress from Pennsylvania, was the outspoken advocate of the manufacturing interests on the floor of the house. In 1867, he offered the following resolution; -

> *"Resolved, that the Committee on Ways and Means be instructed to inquire into the expediency of immediately repealing the provisions of the internal revenue law, whereby a tax of five per cent is imposed on the mechanical and manufacturing interests of the country."*

The resolution was unanimously adopted.

At the same time, Jay Cooke, the head of a great banking firm in Philadelphia, was the agent of the United States Treasury, and as such agent had negotiated the sale of government bonds in England and America to the amount of several hundred million dollars, and he, therefore, assumed the position of spokesman for the national banking interests.

As early as 1867, Mr. Cooke declared that the income tax should

> *"Be scornfully abandoned and that right speedily."*

He laid down the following monstrous principle: -

> *"We lay down the proposition that our national debt, made permanent and rightfully managed, will be a national blessing.*
>
> *"The funded debt of the United States is the addition of $3,000,000,000 to the previously realized wealth of the nation. It is three thousand millions added to the available active capital. To pay this debt would be to extinguish this capital and lose this wealth. To extinguish this capital and lose this wealth would be an inconceivably great national misfortune."*

We can easily conceive why Jay Cooke, the alleged great financier, should give utterance to such an absurd statement. Mr. Cooke is an interested witness in the support of the ridiculous maxim *"That a public debt is a public blessing."* He was realizing millions in the way of commissions by negotiating the sale of bonds. To attract the support of the manufacturers, he says: -

> *"The maintenance of our national debt is protection. The destruction of it by payment is bondage again to the manufacturers of Europe."*

In his appeal to the national banking money power, he says: -

> *"That is not a hazardous opinion which declares that in less than twenty years our national bank circulation will be $1,000,000,000. The currency that sixty-one millions of people, unequaled in industry and untrammeled in enterprise, will require, has got to have the basis of a national debt. There is no other foundation for it to stand on that will impart to it at once safety and nationality."*

It will be well to state here, that the man who gave utterance to these vicious propositions was overtaken with calamity, and the gigantic failure of his banking house heralded the great panic of 1873.

The national banks at once joined hands with the manufacturing interests, and brought their combined influence to bear upon congress. On the first day of the session of Congress in 1867, Representative Kelley, known as "Pig Iron" Kelley, introduced the following resolution in the House: -

> *"Resolved, That the war debt of the country should be extinguished by the generation that contracted it, is not sustained by sound principles of national economy, and does not meet the approval of this house. "*

This resolution was adopted. As a result of the combined influence of the national banking money power and the manufacturing interests, congress eventually repealed the tax on incomes, manufactures, railroads, insurance companies, and the tax on perfumes, bank checks, and reduced the excise tax on whisky and tobacco. In all, the total taxation remitted by the general government, at the behest of the sordid wealth of the country, amounted to $227,000,000 per annum.

Such was the process by which ill-gotten accumulated wealth escaped taxation. The national banking money power was not yet satisfied; its greed was insatiate; the more it received from the hands of the government the more ravenous its demands; and on the 14th of July, 1870, it procured the passage of the Funding Act through a venal and corrupt congress.

This act was supplementary to the Credit Strengthening Act of March 18, 1869, and it went one step farther by providing that the 5-20 bonds should be payable in coin. It authorized the Secretary of the Treasury to issue bonds to the amount of $200,000,000 in denominations of' fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest at the rate of five per cent per annum, payable semi-annually in coin; also a sum not exceeding $300,000,000 of like bonds, the same in all respects, but payable at the pleasure of the United States, after fifteen years from their issue, and bearing interest at the rate of four and one-half per cent. per annum; he was further authorized to issue bonds to the amount of $1,000,000,000, the same in all respects as the others, but payable at the pleasure of the United States after thirty years from the date of their issue, and bearing interest at the rate of four per cent per annum.

We quote from a portion of the law as follows: -

> *"All of which said several classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal or local authority; and the said bonds shall set forth and express upon their face the above specified conditions, and shall, with their coupons, be made payable at the treasury of the United States."*

The Secretary of the Treasury was authorized. to sell these several classes of bonds, at not less than par, for coin, and to redeem the 5-20 bonds, hitherto exempted from payment in coin by the Credit Strengthening Act; or he was authorized to exchange the 5-20 currency bonds, at their face value for the coin bonds provided for by the Funding Act of July 14, 1870.

To exhibit the powerful influence exerted upon that congress which passed the Funding act of July 14, 1870, we will refer to a few facts that have become history.

When the Funding bill was originally introduced, section eight provided that on and after the 1st day of October, 1870, national banks should deposit registered bonds of any denomination not less than one thousand dollars, issued under the provisions of this Funding act, and no other, with the Treasurer of the United States as security for notes issued to national banking associations for circulation under the act of June 3, 1864.

The banks were given one year in which to take advantage of this section to deposit the new bonds in lieu of the former, as security for their circulating notes. In case of failure to obey this act, their right to issue notes was forfeited.

On their failure to deposit bonds issued under the act of July 14, 1870, in lieu of the bonds then on deposit as security for their circulation, the Treasurer and the Comptroller of the Currency were authorized to call in and destroy their outstanding circulating notes, and to return the bonds held as security therefore to the association by whom they were deposited.

The bill containing this section originated in the senate, and after it passed that body and came up in the house for consideration, the national bankers swarmed in the halls of Congress and demanded that this section be stricken out.

At no one time during the history of the national banks did their combined power appear so formidable.

The house quailed in the presence of these money kings, and the section was stricken out, and the bill thus amended was sent back to the senate. The demands and methods of the banks in seeking the defeat of this section had become so insolent that even Senator Sherman rebelled.

He said in reply to their imperious demands: -

> *"Mr. President, the three remaining sections of this bill apply to the national banks.*
>
> *That is much too great a theme for me to enter upon at this stage of the debate; but I will explain in a very few words the ' theory of those sections. The national banks are mere creatures of law. They hold their existence at the pleasure of Congress. We may, to-morrow, if it promotes the public interests, withdraw their authority. The franchise has been valuable to them.*

"We think it right they should aid us in funding the public debt. They hold of our securities $346,000,000. Nearly all of these bear six per cent interest in coin. We will not deprive them of any of them; we will not take from them the property they enjoy; we wi1l not deny them even the payment of six per cent gold interest as long as they are the owners of these bonds.

But they hold the franchise of issuing paper money guaranteed by the United States, and which constitutes the circulation of our country; and we say to twenty per cent, annually upon the franchise.

But, sir, the vote of the House shows the power of the national banks."

The Senate gave way to the banks, and these monopolies compelled Congress to submit to, their will.

It would be presumed that Senator Sherman, judging from the vigor of his speech against these monopolies on this occasion, would subsequently oppose their future demands.

Not so, however. He became a more devoted servant than ever in furthering the ambition of the national banking money power to monopolize the issue of paper money.

By an amendatory act of January 20, 1871, the secretary of the Treasury was authorized to increase the issue of five per cent bonds, for which provision was made by the Funding Act, from $200,000,000,to $500,000,000, making a total interest charge upon the $1,500,000,000 of bonds so authorized to be issued, of $62,500,000, per annum.

The outrageous legislation embodied in this Funding Act becomes apparent to the reader.

In the first place, the 5-20 bonds, to the amount of $722,205,500, purchased with treasury notes, purposely depreciated by the Government at the demand of the gold gamblers of Wall Street, were made redeemable in coin.

This resulted in a gratuity of many millions of dollars to the holders of these bonds, which was nothing more nor less than robbery under form of law.

Second, it created a vast debt, making an annual charge upon the industries of the people of $6,500,000 all of which, both principal and interest, was exempt from taxation, national, state, county, and municipal, creating a special privileged class who could not be compelled to contribute a farthing toward the expenses of that Government which gave them protection.

Not only were these bond holders expressly exempted from taxes, but these non-taxable bonds opened a wide door for extensive frauds upon the revenues of state and municipal authorities.

The process by which states, cities, counties, town-ships, and school districts were swindled out of taxes and revenues was by the shifting of the ownership, nominally at least, of these bonds around the various banks and capitalists who returned them as non-taxable.

For instance, banks and capitalists, when the time came for them to return their assessments of personal property, would report large holdings of these nontaxable bonds, which were obtained for the occasion, and since 1870, this resulted in swindling the various local governments out of countless millions of dollars in taxes.

The same process by which non-taxable greenbacks were shifted from hand to hand, to avoid the payment of taxes during the period required by law for the return of assessment lists for taxation, was adopted on a larger scale in the case of these non-taxable bonds. It set a premium on perjury.

As these bonds were held to a very large extent in the great cities of the country where taxation is very high, in some cases equalling four per cent on the dollar, it will be seen that the actual rate of interest on these bonds ranged from seven to nine per cent, per-annum.

Thus far the national banking money power succeeded in inducing Congress to grant every demand made by it. Not satisfied with the enormously valuable privileges bestowed upon it, this subtle power continued to appear at the opening of each session of the national legislature, and make new appeals for additional legislation in its interests.

Each new demand of the national banks met with prompt compliance from Congress, and the decrees of this organized, voracious money power were registered upon the statute books of the nation by the most corrupt legislative body in the world.

On January 20, 1871, a bill was rushed through Congress by which the Secretary of the Treasury was authorized, in his discretion, to pay the interest on the national debt every three months.

Notwithstanding the fierce opposition displayed by the national banks against the United States notes and treasury notes, in spite of the efforts of Congress to withdraw from circulation the war money of the country by funding this currency into interest-bearing, nontaxable, long-time bonds, this paper money directly issued by the United States was so popular with the people that a very large amount remained in the channels of trade.

The people revered the greenback and United States note, as that money which came forward in time of deadliest peril; which armed, equipped and paid more than two million patriots, whose magnificent bravery won the greatest battles of modern times, and whose heroism secured the perpetuity of American institutions; while gold, the money of kings, the loaded dice of stock gamblers, fled at the first approach of danger; gold, whose value appreciated with every defeat of the Union cause; gold, that vulture which fattened and thrived upon the carnage of the great civil war, laughed the appeals of the nation to scorn.

In consequence of the further demands of the national banks, Congress, on the 20th of June, 1874, amended the National Ranking Act, which permitted these banks to withdraw the bonds deposited by them to secure the circulation of bank notes, and deposit, in lien thereof as security, the non-interest-bearing notes issued by the Government.

Prior to the passage of this amendment, United States bonds had risen to a premium in consequence of the various acts of Congress culminating in the Credit Strengthening Act, and, therefore, this act was adopted by Congress to enable the banks to withdraw the bonds deposited by them, and make a large profit by selling them for the premium, many of which had been originally purchased for less than sixty cents on the dollar.

The operation of the amendment effectually contracted the 1ega1 tender currency of the country, for the substitution of United States notes and treasury notes in lieu of the bonds, diminished the volume of legal tender currency afloat to an extent equal to the bonds so withdrawn.

During this period, the national banking money power began to advance the argument that the character and, volume of money should be determined, not by the legislative power of the nation, but by what was called the *"Business interests of the country."*

It sought to educate the people to accept the doctrine, that it was dangerous to permit congress "To interfere with the dearest interests of the country," and that the solution of the money question must be settled by the national bankers, who assumed to hold the key to all monetary science. President Grant was wonderfully impressed with this great discovery of the bankers and, in his message to congress, December 3, 1874, he gave utterance to this Statement: -

> *"The experience and judgment of the people can best decide how much currency is required for the transaction of the business of the country. It is unsafe to leave the settlement of this question to Congress, the Secretary of the Treasury or the Executive. "*

The President, therefore, as far as lay in his power, tacitly surrendered the constitutional power of Congress and of the Executive to deal with questions of finance, and conferred it upon the national banks.

The people to whom reference is made in this quotation from the President, were the national bankers, and the chief executive was willing to transfer the power of issuing and controlling money to that class of men, whose sole ambition was the extortion of the highest rates of interest, and who loved to shave notes and bonds when they purchased, and exact a premium when they sold.

On the 24th of January, 1875, after the congressional election of 1874, which returned a great Democratic majority in the House of Representatives, the specie resumption act became a law.

The enactment of this measure carried into execution that part of the Credit Strengthening Act where the United States solemnly pledged its faith to make provisions for the redemption of the United States notes in coin, which now legally meant gold.

One section of this law provided for the substitution of fractional silver coins for the fractional currency; a subsequent section abolished the charge of one sixth of one per cent for converting gold bullion into coin, thereby providing for the free coinage of gold at every United States mint.

The most important section of the Resumption Act is as follows: -

> *"That section 5777, of the Revised Statutes of the United States, limiting the aggregate, amount of the circulating notes of the National Banking Associations, be, and is hereby repealed, and each existing banking association may increase its circulating notes in accordance with the existing law, without respect to said aggregate limit; and new banking associations may be organized in accordance with the existing law without respect to said aggregate limit; and the provisions of the law for the withdrawal and redistribution of national bank currency among the several states and territories are hereby repealed; and whenever and so often as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal tender United States notes in excess of only $3,000,000 to the amount of eighty per centum of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of $3,000,000 of such legal tender United States notes, and no more.*
>
> *And on and after the 1st day of January, A. D., 1879, the Secretary of the Treasury shall redeem in coin the United States 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 description of bonds of the United States described in the act of Congress approved July 14, 1870, entitled, `An Act to Authorize the Re-funding of the National Debt,' with like privileges and exemption, to the extent necessary to carry this act into effect, and to use the proceeds thereof for the purpose aforesaid."

A critical examination of the Resumption Act will disclose the sinister purpose of the organized national banking money power to carry into execution, to the letter, the instructions couched in the Hazard circular.

One of the strange features of this act which assumes to restore specie payments, is found in the express language of this statute.

While Congress, by its solemn legislative decree, provided for the redemption of United States non-interest legal tender notes in gold, it did not require the national banks to redeem their circulating notes in anywise whatsoever.

On the contrary, the so-called Resumption Act provided for the substitution of national bank notes for the non-interest-bearing legal tenders issued by the government, although the national banking law made the United States notes a fund to redeem national bank notes.

Again: it was a contraction of non-interest-bearing legal tender notes, and expansion by the additional issue of national bank notes, which were mere promissory notes of the banks, the latter to be loaned by the bankers at a high rate of interest to the business men of the country.

These circulating bank notes cost the bankers one cent on the dollar, and the Government was the redeemer of this currency. It was gold redemption of the greenbacks by the nation, an inflation of paper money by the banks at a, cost to them of one cent on the dollar.

It was a shrewd scheme to discredit the legal tender currency of the country, that the national banking money power might inherit that rich estate of issuing paper money.

Next, it repealed that part of the original National Hank Act which provided for the clue distribution of the currency throughout the states and territories, West, as well as East, South, as well as North.

And it speedily resulted in the absolute control of the volume of money by the opulent bankers of the Hast, for the great capitalists of New York City, Boston, Baltimore, Philadelphia, and other large eastern cities held ninety per cent. of the United States bonds, without which there could be no national bank circulation.

The domicile of the bond holder determined the location of the national bank, and the location of the national bank fixed the point at which the currency of the country could only be obtained, and therefore, the productive energies of the West and South were at the mercy of the national banks.

The two places fixed by this act for the redemption of legal tender notes were in New York City - the arena, of gold gamblers, stock speculators, railroad wreckers - and San Francisco. No sum less than fifty dollars in United States notes would be redeemed.

The reason of this limitation is very apparent. The banks of New York City are the reserve agents for the many thousand banks scattered over the country, and, therefore, hold hundreds of millions of dollars in deposits.

By hoarding the legal tender notes received in the ordinary course of business, the banks of New York City were enabled to accumulate many millions of United States notes, and present them for redemption at the sub-treasury; but the plain citizen who could not command fifty dollars of these notes was barred from the benefits of the Resumption Act.

The United States presented the key of the National Treasury to the national banks, with an implied invitation to help themselves to every thing in sight. It was a Government of national banks, for the national banks, and by the national banks.

Provision was made for the issue of bonds to obtain gold to redeem these legal tenders, and this was a part of the scheme to perpetuate the national debt, and as Jefferson said:

> *"To swindle futurity on a large scale."*

At the time of the passage of the laws upon which comment is made, General Grant was President of the United States.

The career of President Grant is one of the most unique and instructive in history. Of comparatively humble, but respectable origin, he did not, prior to the civil war, give any indications of winning that world-wide fame which has become the heritage of the American people.

That fratricidal strife was the tide that carried General Grant from obscurity to the highest pinnacle of renown. It was in the character of soldier that he gained an illustrious name.

In his character as a man, he gave abundant proof of many admirable traits, among which were magnanimity toward the vanquished, unimpeachable personal integrity, and lasting tenacity in his friendships, in which latter attribute he bore a striking resemblance to General Jackson.

Yet this distinguished man of iron nerve became as plastic as wax in the hands of those to whom he attached himself, and his confidence in his trusted advisers was shockingly abused for the furtherance of many selfish and dishonest schemes.

It is this latter fact that gave birth to those shameless abuses and scandals which have sullied the pages of political history.

Many eminent public men are of the opinion that his administration of civil affairs did not tend to the enhancement of his fame. A summary of the war legislation, in so far as it relates to the finances of the Government, exhibits these remarkable facts as to the existence of a remorseless money power:

First, Congress at the demand of the bullion brokers and gold gamblers of New York City and Boston, had purposely depreciated the currency issued by the government by striking out its legal tender qualities, by refusing to receive its own money in payment of its taxes. It was high priced gold for the bond holder, and depreciated greenbacks for the patriotic soldier who offered up his life for his country.

Second, the passage of the national banking law, by which the government delegated its highest sovereign power - that of issuing money - to private corporations for private gain, resulting in a privileged class of capitalists, whose interests were wholly antagonistic to the welfare of the United States, thereby making a permanent creditor and debtor class, one the master, the other the servant.

Third, an alliance, offensive and defensive, of the national banking money power and the manufacturers, whose combined interests have dominated the legislation of Congress, by which the banks have practically secured a monopoly of the medium of exchange, and by which the manufacturers have secured a high protective tariff for their immediate benefit, and at the same time flooded their mills and factories with cheap foreign labor.

Fourth, the passage of laws, the effect of which was to enormously increase the untaxed wealth of a privileged class, who extort heavy tribute from the productive energy of the American people.

Fifth, The creation of a money power, foretold by Andrew Jackson, whose unlimited greed has appropriated to its own use the greatest portion of the wealth of the United States.

Sixth, A matured plan to perpetuate the public debt of the United States for the purpose of holding the people in subjection to the money power.

Seventh, An enormously extravagant administration of the Federal Government, as a part of the plan to fix a permanent debt on the nation.

Eighth, Senator Sherman, during all this period, was the chairman of the Finance Committee of the Senate, and he was the influential agent of the money power who shaped and molded that legislation, upon which was reared that imperial combination of moneyed influence which, to a very large extent, rules the press, the pulpit, the legislative bodies, and the courts of the country.

In view of the various financial measures enacted by Congress from 1865, to the passage of the Resumption Act of 1875, all of which tended to greatly appreciate stocks and bonds, and to divest the Government of its undoubted power to issue full legal tender United States notes, or greenbacks, the following significant extract from the most influential journal of Great Britain, the London Times, is hereby subjoined.

In 1865 the Times editorially stated: -

"If that mischievous financial policy which had its origin in the North American republic during the late war in that country should become indurated down to a fixture, then that Government will furnish its money without cost.

"It will have all the money that is necessary to carry on its trade and commerce.

"It will become prosperous beyond precedent in the history of the civilized nations of the world. The brain and wealth of all countries will go to North America. That Government must be destroyed or it will destroy every monarchy on this globe."