

# SUPPLEMENT.

## CAMPAIGN THOUGHTS.

### IDEAS THE CANVASS SUGGESTS.

Brief Pleading for Honesty in Politics as Well as in Business, and Some of the Reasons Thereof.

The cipher dispatches have forever put at rest the allegations that the Democratic party has entered upon the stage of decay. Its leaders never demonstrated their proficiency in trick and fraud more satisfactorily, not even when Tammany used to colonize Connecticut just prior to the April elections. If any man can read the cipher dispatches and still say that the Democracy is not as lively and vigorous a party as ever, he is a lost soul.

Oh, Mr. Dewey! was it necessary to publish and send abroad such a whopper as that about Vermont? Is the N. G. L. case so desperate that it was necessary to proclaim that the party elected a Congressman in Vermont? If such a man was elected, what is his name? Perhaps the flat money men have gone out of the business of making flat money and taken up the business of making flat Congressmen. It pays in the long run to tell the truth, Mr. Dewey.

The recent elections in the west show conclusively that the supposed popularity of irredeemable money in that quarter was wholly a manufactured sentiment produced by political manipulation, and sustained by that alone for partisan ends. No sooner was the course of the Republican party placed before the people in unmistakable terms in favor of honest money than the reaction became decisive. Substantiated citizens should now bear in mind to whom they are indebted for this revolution.

What, in the name of common sense, does Mr. Speer mean by scolding the Democratic rank and file for running after strange gods? He is the bell-wether of the flock, and it was he who first jumped into the greenback pasture. And now he is after the lambs with a sharp stick. "You should worship at your own altar," says Mr. Speer. It is a pity he did not send a better example. It is easy enough to lead a flock of sheep to new pastures, but it is not easy to drive them back, Mr. Speer.

Immediate prosperity cannot be expected to follow resumption. The change must be gradual, because the opposition to resumption has been too formidable to pass away easily. But after resumption, the subsequent struggles of the inflationists will be less difficult to deal with. Sentiment will crystallize in favor of a sound national currency and of a protective tariff. The 4th of March, 1873, will end the conflict. To have internal progress and commercial advancement we must get rid of the Democratic dominance in Congress.

The National-Labor-Greenback-Flat party, linked arm in arm with the absolute flat party, and attended by the tributary, are descending from the heights they trod and disappearing. They presented themselves, with many claims and much confidence, in the west, and found that they were friendless and forlorn, and desisted in half a dozen States when they prophesied gain for themselves. They find that this proof of their inability has dampened the ardor of Pennsylvania disciples, and that those who wandered from the Republican fold are returning to it.

In 1861 Mr. A. H. Dill asserted at Lewisburg that "this Union can never be maintained by force of arms." But it was so maintained, and that maintenance discredits Mr. Dill's judgment. A man convicted of intellectual incapacity is not fit for a high and influential position in Pennsylvania. He might repeat his errors, and compel the people to pay for them. We should be judged by every one. The proof of the declaration makes of Mr. Dill's unfitness and incompetency is a sufficient inference from the speech.

Those who favor the maintenance of the national banking system in preference to a return to the old issue of unsecured currency and wild-cat State banks, have only the Republican party to look to in the present emergency. Both the others are hostile to the excellent system now established, and both agree in the avowed purpose of destroying it. A thousand millions of dollars of commercial credits depend upon that question. Business men should think of that before they vote any other ticket than the Republican.

Two years ago the Democracy were defeated when they made the repeal and falsification of the nation's solemn promise to redeem its legal-tender notes on the first day of 1873 an issue in the canvass. That promise, made by the country through a Republican administration still holds, and cannot be honorably retracted. It is pledged faith, and were the greenback advocates as strong in their argument of expediency as they are weak, it would have been repudiated for the next fifty years. Then came the revolt of the colonies, a desperate struggle of a poor people with a rich and powerful nation. Between June, 1875, and February, 1876, \$10,000,000 of paper money was issued and made a legal-tender by Congress, and the separate colonies as well. In addition, the entire issue was assigned to the colonies against

## FIAT MONEY.

### Its Worth to Workingmen.

#### The Record of the Past Reviewed at Some Length.

#### The Fate of our Continental Currency—The Experiment by France, and the Result—Shall History be Repeated?

Though one might imagine after reading the arguments of the advocates of "flat money" that it involved a new discovery in the realm of finance, the fiat money experiment in the issue of irredeemable paper, and worked widespread and irrefragable ruin to the experimenters. The best authenticated of the early experiments with fiat money was made in this country exactly 150 years ago. The colonies of Massachusetts, Rhode Island and Connecticut tried the experiment in 1728. It was an era of hard times. The people—the demagogues for whom—demanded the creation of loan banks which should lend money to men short of funds. Such banks were created, and issued notes to borrowers payable in sixteen years, with use at four and six per cent. These notes were made a legal tender, and the colonial governments took mortgages on the real estate of the borrowers.

Of course these borrowers borrowed on longer or shorter time, depending upon the date when the loan was effected. Those who came in 1728, six, and eight years after the period of the creation of the fiat money, had so many years fewer in which to use and repay the loans. These complained that they did not get their share of the favors of fiat money, and demanded larger loans to make good the reduction in time. Thus more and more of the fiat money was turned into the channels of the circulation, and every new issue depreciated all that had been issued previously. This depreciation enabled the first borrowers to pay their loans more cheaply than they otherwise could have done, and of course such debtors joined in the cry for more money. But the historian of those times remarks that the borrowers in a multitude of cases did not try to repay their borrowings, but ran away, and left the banks to make out as best they might with the mortgages and other securities. The "best" was had enough; for it was found as a rule that the pledged lands were not worth the debt, or in such condition that nothing could be realized. Here is what Hutchinson, the historian, writes of those times:

COLONIAL PAPER MONEY.

"The Legislature, composed largely of men who had borrowed, would allow no extreme measures against the delinquent debtors, as that would affect themselves as well as their debtor constituents. Foreclosures were discontinued, and did not generally pay the excitement and trouble they caused. Compelling men to repay their loans was looked upon as a species of political persecution. The repayment of the loans became a political issue. Politicians were no longer arrayed against each other, as Whig or Tory, but as creditor or debtor, and the latter swept the elections."

"This legal-tender money continued to depreciate, and this had the effect of making a scarcity of currency, for it took several dollars to do one dollar's worth of work, measured by other values. There was a great cry for more bills, to make money plenty, business brisk and get up enterprises."

"The more paper was issued the less it was worth, and the only class that benefited thereby was those who paid off their creditors in debased money; but the more lenders were thus cheated, the harder times became for the working classes, and there was great distress in the colonies."

"Salaried men and laborers suffered greatly from the debasement of the currency." Says the historian Hutchinson: "The influence which a bad currency has on the morals of the people is greater than is generally imagined. It would be just as rational when the blood in the human body is in a purid and corrupt state to increase the quantity of it, as to increase the quantity of money by issuing more bills, but they were not themselves legal-tender, and some have asserted; and nobody so considered them until ten years after they had been retired. In October, 1865, the following short-time obligations—the payment or retirement of which is denounced as a contraction of the currency—were outstanding, viz.:

Compound interest notes, due 1867 and 1868,	\$172,000,000
5 per cent. Treasury notes, due Dec. 1, 1865,	32,336,700
3-10 Treasury notes, due in 1867 and 1868,	80,000,000

In addition to these there were debts due 1900.

This experience in fiat money was very bitter, and was a warning for the next fifty years. Then came the revolt of the colonies, a desperate struggle of a poor people with a rich and powerful nation. Between June, 1875, and February, 1876, \$10,000,000 of paper money was issued and made a legal-tender by Congress, and the separate colonies as well. In addition, the entire issue was assigned to the colonies against

## MCCULLOCH.

### A SOUND FINANCIER'S VIEWS.

Some Democratic Campaign Facts Referred to by Statements from a Party Acquainted With the Subject—Read and Reflect.

To the Editor of the Tribune.

Sir: There exists to some extent a misapprehension in regard to the character and purposes of the 7-10th notes issued by the government in 1864 and 1865. It has been stated by the inflation journal, and iterated and reiterated by inflation speakers, that these notes were issued as money. This statement has been in a measure confirmed by remarks attributed to General Spenser, but the statement is only partially true, and as to a comparatively small part of the first issue.

The exigencies of the Treasury in 1864 and the early part of 1865 were so great that the Secretary was compelled to avail himself of all means under his control to meet the enormous requirements of the War and Navy Departments, and authorized as he was to sell these notes, or to use them in payment of debts due by the government, he did direct that some of them should be sent to the army paymasters and to the Assistant Treasurer in San Francisco, with instructions, however, that they should be paid only to such soldiers and other creditors as might be willing to receive them. They were not used nor intended to be used as money, but as securities, which the creditors might receive or decline to receive at their own good pleasure. According to my present recollection, all of the notes which were used for the payment of soldiers were so issued by Mr. Chase as the head of the Treasury Department; and I speak advisedly (for I was in daily communication with him) when I say that it was not his intention or expectation that they should be even temporarily a circulating medium. He was hard pressed for money, and he was also anxious that the soldiers should have as much as possible of their hard-earned wages; and he thought, as these notes bore a high rate of interest and were convertible at maturity into 5-20 six per cent. gold bonds, that they would be gladly received and held as an investment. The experiment was not a success, and it was soon discontinued. Of the \$300,000,000 7-10th notes outstanding in October, 1865, at least \$100,000,000 had been offered and sold by popular subscription, as were the first issues of 5-20 bonds. The bonds and other securities issued during the war were issued to provide means to prosecute the war, when, as the result was by many regarded doubtful, subscriptions to the loans were considered patriotic; those issued after the close of the war were issued to provide means for paying off the soldiers and closing up the expenses of the war. And it is worthy of remark that it was not until long after the war had been brought to a successful conclusion, and the solvency of the government had been assured, that the holders of securities, which had been freely offered to every man in the United States, became the objects of denunciation; and it is also worthy of remark that the denunciation of the bondholders almost invariably comes from those who principally benefited by the issue of the securities, not only from subscribing to the loans, but from the Union was in peril, but also to the subsequent issue, upon the success of which depended the ability of the government to pay the gallant men by whose valor it had been preserved. The reason for raising money by a sale of 7-10ths, instead of bonds having a longer time to run, and bearing a lower rate of interest, was given by the Secretary. In his report of 1865, in the following language:

NO TIME TO TRY EXPERIMENTS.

"The greatness of the emergency gave the Secretary no time to try experiments in borrowing on a new security of long time and lower interest, and removed from his mind all doubts and hesitation in regard to the course to be pursued. It was estimated that at least \$700,000,000 should be raised, in addition to the revenue receipts, for the payments of the requisitions already drawn, and those that must soon follow—preparatory to the disbandment of the great United Army; and of other demands upon the Treasury. The anxious inquiries then were, by what means can this large amount of money be raised, and not what will be the cost of raising it. How can the soldiers be paid and the army disbanded so that the extraordinary expenses of the War Department may be stopped, and not what rate of interest shall be paid for money. These were the inquiries pressed upon the Secretary. He answered them by calling to his aid the well-tryed agent who had been employed by his immediate predecessors, and by offering the 7-10th notes—the most popular loan ever offered to the people—in every city and village, and by securing the advocacy of the press throughout the length and breadth of the land."

The 7-10th notes were made payable, interest and principal, in lawful notes (legal-tender notes), but they were not themselves legal-tender, and some have asserted; and nobody so considered them until ten years after they had been retired. In October, 1865, the following short-time obligations—the payment or retirement of which is denounced as a contraction of the currency—were outstanding, viz.:

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## DEMOCRACY.

### Is the Party to be Trusted?

#### Corrupt, Unprincipled, and a foe to American Industries.

#### Guilty of Treason—Dishonesty and Repudiation—A Friend to Rebel Claims and Foreign Pauper Labor and Speculators.

There is nothing nobler or grander within the range of human capabilities than forgiveness and forgetfulness of injuries. There is no surer early part of 1865 were so great that the Secretary was compelled to avail himself of all means under his control to meet the enormous requirements of the War and Navy Departments, and authorized as he was to sell these notes, or to use them in payment of debts due by the government, he did direct that some of them should be sent to the army paymasters and to the Assistant Treasurer in San Francisco, with instructions, however, that they should be paid only to such soldiers and other creditors as might be willing to receive them. They were not used nor intended to be used as money, but as securities, which the creditors might receive or decline to receive at their own good pleasure. According to my present recollection, all of the notes which were used for the payment of soldiers were so issued by Mr. Chase as the head of the Treasury Department; and I speak advisedly (for I was in daily communication with him) when I say that it was not his intention or expectation that they should be even temporarily a circulating medium. He was hard pressed for money, and he was also anxious that the soldiers should have as much as possible of their hard-earned wages; and he thought, as these notes bore a high rate of interest and were convertible at maturity into 5-20 six per cent. gold bonds, that they would be gladly received and held as an investment. The experiment was not a success, and it was soon discontinued. Of the \$300,000,000 7-10th notes outstanding in October, 1865, at least \$100,000,000 had been offered and sold by popular subscription, as were the first issues of 5-20 bonds. The bonds and other securities issued during the war were issued to provide means to prosecute the war, when, as the result was by many regarded doubtful, subscriptions to the loans were considered patriotic; those issued after the close of the war were issued to provide means for paying off the soldiers and closing up the expenses of the war. And it is worthy of remark that it was not until long after the war had been brought to a successful conclusion, and the solvency of the government had been assured, that the holders of securities, which had been freely offered to every man in the United States, became the objects of denunciation; and it is also worthy of remark that the denunciation of the bondholders almost invariably comes from those who principally benefited by the issue of the securities, not only from subscribing to the loans, but from the Union was in peril, but also to the subsequent issue, upon the success of which depended the ability of the government to pay the gallant men by whose valor it had been preserved. The reason for raising money by a sale of 7-10ths, instead of bonds having a longer time to run, and bearing a lower rate of interest, was given by the Secretary. In his report of 1865, in the following language:

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## HOYT.

### A CANDIDATE WITH PRINCIPLES.

The Next Governor Reviews the Speech—Labor, Honesty and Coin—His Speech at Horticultural Hall, Philadelphia.

I represent the organized agencies which the great Republican party have set up and propose to sustain in this State in the interest of good government.

Eighteen years ago a million and a half of men armed and went down to battle that the nation might live. The enemy in front resisted to the death, and thousands in our midst declared and resolved in convention that a war for that purpose must fail. You vindicated yourselves as men who possessed the brain and purpose of the leaders of an infant, in a great ancestral right and an inherited intelligence, and pluck to maintain that right. That fight, fellow-citizens, you won. Your flag still bears all its blazing stars, and floats over every parapet and fort of the Republic. [The applause which greeted Colonel Hoyt here warmed him up and he went on with vigor.]

THE NATION MUST LIVE HONESTLY.

To-day you are marshalled that the nation may live, honestly. As you once held the people to the great lessons of fortitude, self-denial, and suffering, so now you, and you alone, are to organize that heroism which shall compel honesty in public matters, honesty in private affairs. You are to maintain the public integrity, that governmental dishonesty may not debauch the sentiment of individual integrity. A great debate is now going forward between the Democratic and the only organized body of the American people who embody the truths in government and finance is the Republican party. For twenty-five years the Democratic party has had no vital and efficient contact with the actual ideas organized in our institutions. Democratic men went shoulder to shoulder with Republicans to the trenches to be torn and mangled, and to the battle front today. The Democratic party, in a party, never put itself honestly and sincerely in actual sympathy with the people. It did not keep abreast of the ripe sentiment of nationality. In 1868 it lost the election because it did not intend honestly to pay the war debt. In 1872 it lost the election because, while it took as its candidate a great champion of human rights, it took him because he had abandoned patriotism for sentimentalism. In 1876 it undertook a campaign for "reform," but its record was too unsavory and its disguises were too thin to deceive the average American voter. To-day that party has positively no attitude on any public question going to the real living interests of the people. Its leaders are distracted and inconsistent, its declarations weak and worthless, it presents no definite scheme for the conduct of affairs. As it has produced no results in the past, so it offers no hope for the future. To-day its leadership is in the hands of a few able and ingenious gentlemen, Republican at heart, but inspired by a sense of mischief toward the Republican party and hearty enjoyment of their mischievous intervention. [Applause.]

REPUBLICANISM MUST BE HELD AND ENFORCED.

Fellow-citizens, as in the years gone by the Republican party fostered and developed the endurance and persistence of our people, so now you are to organize, uphold and support the national faith in itself. We are confronted with the problem of how to pay an immense private and public indebtedness. The jobber and the charlatan are filling our ears with delusive and dishonest proposals. The sense of public integrity never needed concerted and organized support more than now. The mission of the Republican party is not done. Your utterances should never be bolder and more intrepid than now. The people are willing to be recalled to a sense of the sanctity of a public promise. They must be implored to shut their ears to cheap devices in government and finance. We must recognize that divine law which ordains that honesty and happiness and wealth are the awards of industry, skill, and economy. No human scheme can reverse the rules of the divine economy and confer upon idleness and profligacy the rewards of life.

THE LAWS WHICH COMPEL AN INDIVIDUAL ABLE TO PAY HIS DEBTS TO BE WILLING TO PAY HIS DEBTS MUST BE MET BY SOME CORRESPONDING SENTIMENT—SOME PRINCIPLE OF PRIDE AND HONOR WHICH SHALL DEMAND OF A GOVERNMENT ABLE TO PAY ITS DEBTS TO RISE TO THAT HIGH DUTY. FOR THERE IS NO RELIANCE BUT THE HIGH SPIRIT AND PROUD DETERMINATION WHICH SHOULD PERVADE A PEOPLE WITH THE TRADITIONS AND DESTINY OF OUR OWN.

THE NATIONALS AS CREDIT WRECKERS.

When the National party propose to pay the bonds of this government with the greenback, and talk about the greenback in illimitable volume being made good and floated upon the credit of the nation, they wreck that credit of the nation at the outset. The Constitution and the law aside, their first act is a cheat and a fraud, and no plain, practical business man will trust the individual, firm or nation which pays a solemn promise with a cheap promise, which never purposes a day of actual performance of either.

LABOR, MUSCLE AND COIN.

Fellow-citizens, some maxims of political economy and finance may be considered as set forth in the following article in the Nationalist. Nothing which is set forth in this article of commerce and exchange has any value except the value which human labor and muscle and energy have put into it. The value of that labor and muscle is for the people to measure, and not for the market. You know this bill will not stand.

"Was it to be redeemed in?" queried a shoemaker when I offered it for a pair of boots the first I ever had for years.

"No, in fact. It don't want to be redeemed. To redeem it would be to destroy its life-giving principle. Anybody can show money with gold behind it to redeem it; your true financier is he who can make money which don't want to be redeemed. All you have to do with this money is to keep it moving. You know this bill will not stand."

THE ONLY SECURITY THAT WE FELT WUZ NECESSARY WUZ TO PLEDGE THE SACRED FAITH OF THE CORNERS THAT IT WUZ A DOLLAR.

"I am President of it and Issaker Gavitt is Cashier. Our money is simply a slip of paper upon which is printed the sole-inspirin words: THIS IS A DOLLAR.

ATTEND: PETROLEUM V. NASBY, President.

ISSAKER GAVITT, Cashier.

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## FUN ALIVE.

### The Humors of the Canvass

#### The Battle Fought by the Democracy in Maine.

#### A Famous Victory for Somebody, as Seen Through a Piece of Smoked Glass—The History In Verse.

It was an aged Democrat,  
Whose locks were thin and gray,  
Whom his little grandson spoke  
And said, "Now, gran'pa, say,  
Tell of the fight in Maine to me,  
And how you won the victory."

The grandpa raised his feeble arm,  
"Oh, 'twas a glorious day,  
And fierce and strong, and all day long,  
I ragged loud the dreadful cry,  
And when night closed on us, why we  
Had won a famous victory."

"But tell me what the victory meant,  
And what you fought about;  
And tell me how the Democrats  
That were with you, came out?"

"Why that I cannot do," said he;  
"But 'twas a famous victory."

"In hope and strength we waded in,  
But when the day was done  
Of all our numerous candidates  
We hadn't elected one.  
We hadn't a point, that I could see,  
But 'twas a famous victory."

"By noon, our party strength was gone,  
And we kept right on the wane;  
And the chill, cold hand of death lay on  
The Democrats of Maine."  
But still they said—I can't just see—  
That 'twas a famous victory.

"We never elected a candidate,  
We were kicked clear out in the cold,  
And I felt, when I read the black returns,  
A thousand centuries old.  
But the New York World said, 'Hope-pee'  
Another glorious victory."  
"And since we won that bloody fray—  
Just why, I can't explain,  
They never have found a Democrat  
Alive in the State of Maine."  
They hate that State—it's queer to me,  
Since winning that famous victory."  
His grandson cried, "But I can't see how,  
If they licked you out of your eyes,  
And scooped you out the grandfire said,  
'That's just where the trouble lies;  
It's the Dutchest kind of Greek to me,  
And I know it's a famous victory.'"  
—Burtoning Hawkeye.

NASBY.

HEARS THE NEWS FROM MAINE.

The Ex-Postmaster Becomes a Reformer and a Financier—Result of an Issue of Flat Money at the Corners.

From the Toledo Blade.

CORNERERS' X-RAYS. Which is in the State of Kentucky, Sept. 15, 1878.—The noose from Maine has reached the Corners and it has encouraged us, both ex-Nashneis and Democrats. It doesn't make a straw's difference to me whether we the Democrats have swallowed the Nashneis, or whether the Nashneis have swallowed us. There he is, a waller, and the Republican party has lost its grip. We are happy.

EX-NASHNEIS WE HAVE THINGS SPECIFICALLY TO SUEE US AT THE CORNERS, AND THROUGHOUT THIS SECTIONS. We've succeeded in instituting strikes in all the manufacturing villages in this section, and he'll all the workmen out of work and in consequence distressed. At Factoryville they ain't any more factory at all, for we burned it in the holy crossade of labor agitators. In Plainville we've got all the mechanics and laborers on a strike, which has led the diligent and cheerin effect we throwin every workman out of work. Hallelujah! They hev nobin to do now but to walk about the streets day-times, and listen to our speeches nites. And we makin it lively for the bloated employers, you bet. When men are distressed they want a remedy, and they'll take most any kind of medicine.

To support em, we hev instituted a provision-bank, which will do till the flat money is issued. It's the same thing as "no" money. I am President of it and Issaker Gavitt is Cashier. Our money is simply a slip of paper upon which is printed the sole-inspirin words: THIS IS A DOLLAR.

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## KELLEY.

### HIS VIEWS ON WOODS' TARIFF.

An Appeal to Common Sense—The Centennial the Crowning Glory of Our First Century—General Considerations.

But if it could be shown that it favors free trade, it would simply prove that it is an attempt to resist the tendency and drift of the age. England herself begins to realize the sad mistake she made when she failed to confine freedom of trade with her ports to raw materials and food. On the 3d of last month Mr. Ernest Seyd, before the British Society of Arts in London, reiterated his belief in the abstract doctrine of free trade, and said:

"I will admit that the increased imports are due partly to foreigners forcing goods here; but there is this year already a falling off in the imports. I will further admit that our habits are, perhaps, too luxurious. Although I am a thorough free-trader, I am aware that such luxurious habits cannot be checked by mere moral suasion, and I am of the opinion that unless there is soon a better balance between our imports and exports, there is really no other method of effecting this than by a partial return to protection."

Here is a pamphlet with which the British Islands have been flooded within the last few months. It is Lord Buteham's plea for limited protection or for reciprocity in free trade. Let me read the closing paragraph:

"I appeal to the common sense and to the patriotism of my countrymen, and if they are convinced how great has been the failure of our free-trade policy without reciprocity, it is for the American people, as I believe sincerely they will say, whether a return to a policy of limited protection is not the true and simple solution of our present difficulties, and will tend to retrace our losses, increase our revenue, lighten our burdens, bring peace, contentment and employment to our working classes, and teach them and us to respect the day which restored the old policy and the old watchword of 'protection to native British industry.'"

The cotton looms of England are demanding the protection of their investments against the terrible competition from India. Let me read you some extracts from the London Times, premising that the British Indian government, in order to raise an adequate annual revenue, has been compelled to impose a duty of five per cent. on cotton goods imported into Indian ports, and the British manufacturers are demanding the repeal of that duty.

"There was scarcely a town in our manufacturing districts which was not represented. . . Their wish to preserve a foreign market for their goods is natural enough, and, within decent limits, praiseworthy enough. We can scarcely say much for them when they ask not only that Indian finance shall be regulated for their own convenience, but that the export trade of India shall be kept within the bounds they wish to assign to it, and shall be crushed out of existence when it intrudes itself as their rival. It is a strange thing, we cannot help remarking, to observe the new quarters from which proceed, in the case before us, the attack on free trade."

I have here a slip from the London Saturday Review on the French Exposition:

"The first exhibition was held at London, and was widely intended to be a sort of consecration of free-trade. The new exhibition is to be held at Paris, and is a consecration of protection. Conquer France has at last conquered its proud capital. Prince Bismarck has just issued a manifesto through one of his organs, in which he explains his new financial policy. It seems that he has been meditating over the financial system of France; and is lost in admiration at what he finds to be its basis and its method. It is through protection that France pays the interest on the milliards which he carried off. He thought that he had crushed France peculiarly, and he discovers that apparently she is not crushed at all. Her national and local taxation now amounts to about \$150,000,000 a year, and the Chamber is gaily embarking on new and vast schemes for railways, canals, and improved military organization. How this is done is the mystery which Prince Bismarck has seriously asked himself, and the only answer he can discover is that it is done through a system of wise and bold protection. He therefore invites his countrymen not to be above imitating France."

THE CROWNING GLORY OF OUR FIRST CENTURY.

In characterizing the last quarter of the first century of our existence the chairman of the committee said:

"It marked the most extraordinary epoch in our history—distinguished by its extinction of slavery—the greatest civil war of any time, and the consequent democratization and stimulating effect upon values, and the vicious legislation which, necessarily followed.

Our great civil war and the extinguishment of slavery were memorable events, but they do not characterize the period alluded to. The crowning glory of that century of American history centered in the display of machinery, the most wonderful that man had ever beheld; in the products of genius, taste, skill and industry; in the manner in which the life of the nation was sustained by a monstrous rebellion? That the Republic was in the agonies of death? That it appeared uncertain whether the bond bought at forty cents on Monday would be worth ten cents or one cent on Saturday? And that the purchaser of the bond risked his money for the country just as much as the soldier risked his blood? Did not the American government when the Republic was in extremities? And passed by the House and sent to the Senate. It was held back several days, Mr. Dill was absent, and when it was presented to the Senate a point of order was raised that it could not be considered, as a similar bill had already been defeated in the Senate at that session. It was well known long beforehand that this point would be raised, and on its decision depended the fate of the bill; yet on this vital question the man who is claimed to have championed the bill could only say, 'I never examined the question of the ruling of the Chair, and I am not prepared to say what my judgment would be in regard to that ruling.'—See Record page 221.

## INTEGRITY.

### Able Argument for Honesty.

#### Secretary Schurz's Views on the Financial and Political Situations.

#### An Exhaustive Resume of the Causes Which Led to the Panic of 1873—The Way to Avoid a Repetition.

Extracts from a speech delivered in Cincinnati September 25, 1878:

WHAT ARE THE FACTS?

There was, indeed, a contraction of our paper currency from 1863 to 1868. But the business collapse did not occur after 1868. It came five years later, and those five years, between 1868 and 1873, are generally regarded as years of unexampled prosperity. Now what happened with the currency between 1868 and 1873? In 1868 contraction was stopped. In 1869 the amount of paper currency outstanding was \$69,346,056. In 1870 it was \$70,875,809. In 1871 it was \$71,875,701. In 1872 it was \$72,870,303. In 1873 it was \$76,062,368.94. This statement includes not only the greenbacks, the national bank notes and the fractional currency, but also the State bank's circulation, the demand notes, the one and two years' notes of 1863, and the compound interest notes. Thus it appears that during several years preceding the crash of 1873, the currency was not only not contracted, but very materially increased, so that in 1873 it amounted to over \$85,000,000 more than in 1868. The fact stands thus: The currency was contracted between 1863 and 1868, and several years of prosperity followed. The currency was expanded from 1869 to 1873, and the collapse of business occurred. I might even add that between 1873 and 1874 the currency was expanded from \$76,062,368.94 to \$78,409,916.01, that is to say over thirty-one millions, and yet the depression was not only not relieved, but grew in distressing severity. Our inflation friends may not relish that kind of reasoning, but what have you to answer?

THE REMEDY.

The best thing one can do after the collapse is quietly to gather up our five senses and go to work like men to repair our shattered fortunes. And how can those shattered fortunes be repaired? First, by recognizing the errors of our ways and discarding self-deceptions and illusions; by remembering that we are not what we think we are, and that we are not what we dream of; by abstaining consequently from all windy schemes to make ourselves rich by printing the word dollar upon a piece of paper; by acting upon the principle that the only honest way to get rid of our debts is by paying them, and that we can become prosperous only by producing things that are useful, and by spending less than we earn. We must have a sound depositary, without which business can have no healthy development, and without which the prosperity of the people will always stand upon a volcano ready to explode at any time, three things are of the first necessity: A good national and individual credit, based upon national and individual honesty. Second, a sound currency of real and stable value; and third, a safe and reliable banking system, and by spending less than we earn. We must have a sound depositary, without which business can have no healthy development, and without which the prosperity of the people will always stand upon a volcano ready to explode at any time, three things are of the first necessity: A good national and individual credit, based upon national and individual honesty. Second, a sound currency of real and stable value; and third, a safe and reliable banking system, and by spending less than we earn. We must have a sound depositary, without which business can have no healthy development, and without which the prosperity of the people will always stand upon a volcano ready to explode at any time, three things are of the first necessity: A good national and individual credit, based upon national and individual honesty. Second, a sound currency of real and stable value; and third, a safe and reliable banking system, and by spending less than we earn. We must have a sound depositary, without which business can have no healthy development, and without which the prosperity of the people will always stand upon a volcano ready to explode at any time, three things are of the first necessity: A good national and individual credit, based upon national and individual honesty. Second, a sound currency of real and stable value; and third, a safe and reliable banking system, and by spending less than we earn. We must have a sound depositary, without which business can have no healthy development, and without which the prosperity of the people will always stand upon a volcano ready to explode at any time, three things are of the first necessity: A good national and individual credit, based upon national and individual honesty. Second, a sound currency of real and stable value; and third, a safe and reliable banking system, and by spending less than we earn. We must have a sound depositary, without which business can have no healthy development, and without which the prosperity of the people will always stand upon a volcano ready to explode at any time, three things are of the first necessity: A good national and individual credit, based upon national and individual honesty. Second, a sound currency of real and stable value; and third, a safe and reliable banking system, and by spending less than we earn. We must have a sound depositary, without which business can have