

tramps and learns their ways. Each day he gets shabbier, dirtier, all men loose respect for him and he loses all respect for himself. By the time he reaches the next town no one would have him if they wanted a hand. He sits down on a bench and falls asleep. The police beat the soles of his feet and tell him to "move on." If he sits down he is told to move on. If he moves on he is in the language of the law a "vagrant" liable in most states to be arrested and sent to the stone pile in company with thieves and criminals. In a few weeks the honest, industrious workman is converted into a lazy, shiftless, thieving dirty vagrant. You may turn a doctor of divinity out to tramp and after he has pursued the occupation one year I should hate to have him come to the back door of my house when I was not at home. Listen: There are many of our professional tramps who have a college education and who at one time were lights in the church.

I insist that the question whether we shall continue a financial system which turns honest, industrious, sober working men into thieving, dirty, drunken tramps, is a moral question.

But this is not all. Under this financial system, under this locking up of natural opportunities thousands and hundreds of thousands of innocent girls are compelled to sacrifice their virtue for situations. In a large number—a very large number of establishments which employ girls and women it is the understanding that wages paid will only meet their board and that for clothing and all other needs they must depend on the help of a "gentleman friend." If they express surprise at the small wages offered this is frankly explained to them. The better situations are offered to the more attractive girls who will make satisfactory "arrangements" with the employer or the head of the department. Girls who seek positions at Washington soon find that positions are controlled by the "floods" of Congressmen and that "floods" can only be purchased by "favors" which mean ruin.

Thus we are coloring the virtue of the womanhood of America into dollars.

This is so because under our land and financial systems opportunities for employment are so restricted that multitudes are out of employment and the employee is therefore compelled to accept any conditions that may be imposed by the employer—or starve. I insist that the question whether the women of America shall be made slaves to the lust of America is a moral question.

The conditions of which I have been speaking and which are the result of our land and financial systems have so multiplied and deepened the poverty of the country that hundreds of thousands of little children at 3 or 4 years of age are either compelled to begin their own living or are turned on the street to obtain it by begging or stealing. These children grow up with no knowledge of home, no knowledge of God or of Heaven by a cruel power which they cannot understand and from which they cannot escape. They are condemned before they are born to a life of pauperism, ignorance, vice and crime, a perpetual menace to the society which has wronged them.

I must forever insist that the question whether the childhood of America shall be shut out from home and from hope and from Heaven, and condemned to ignorance, vice, pauperism and crime, is a moral question.

THE CAUSES.

In looking about for the causes of these conditions we must remember that panics, hard times, pauperism, the plunderers of the people and the unjust distribution of wealth are so bound up together that in finding the causes of one we find the causes of all. Let us therefore look first at the panic of '93 which is fresh in the memory of us all. It is easy to recall the circumstances attending, first the terrible scarcity of money; it could not be obtained at any price. Accounts due from the strongest firms could not be collected. Loans could not be obtained on any security. Depositors became alarmed for the security of their deposits and runs on banks closed the doors of one bank out of every eight in the entire nation. Farmers could not sell their crops because dealers could not get money with which to buy, or, if they had money, feared to buy lest they could not sell. Manufacturers could not collect from customers, nor obtain money from banks, and so were compelled to close their doors and turn their workmen upon the street. Workingmen having no employment and consequently no money could not buy goods or pay bills. Store keepers and tradesmen with trade cut down and bills uncollected could not meet their obligations, and so the chain went on. Goods could not be sold, and so there was an apparent surplus of everything, and consequently prices of everything declined. That was the general outline of the panic, the first point being inability on the part of the people to get money for use in business.

Continuing on after the panic we have had hard times, scarcity of employment, dull business, difficult collections, low prices and general depression.

WHAT DID NOT CAUSE IT.

To clear the ground and get at the real cause, let us first see some of the things which did not cause the panic of '93.

With due deference to our protectionist friends, it was not caused by "tariff reform" or the "Threat of free trade." There had been no tariff reform when the panic began, and the democratic party did not propose to enact free trade and nobody supposed that it would, but like effects come from like causes, and if tariff reform or the threat of free trade caused the panic of '93, what caused the precisely similar panic in 1873? That panic came immediately after the republican party had carried the country by the most sweeping majority in its history. There was not even a proposition for tariff reform and not a free trade cloud upon the political horizon. If tariff reform or the threat of free trade caused the panic of '93, what caused precisely similar panics in other countries where there was no tariff reform and no threats of free trade. Tariff reform and threats of free trade could not possibly have caused the panic of '93.

With all due respect to my free trade friends, the panic of '93 was not caused by the McKinley bill.

Like effects spring from like causes.

If the panic of '93 was caused by the protective tariff, what caused the panic of '57 when McKinley was a boy in short pants, and the panic of '37, before he was born? Both of these panics came during periods of low tariff. If the panic of '93 in this country was caused by the protective tariff, what caused the panic which so shortly preceded it in free trade England?

With all due respect to my free silver friend, the panic of '93 was not caused by the demonetization of silver, except in so far as it was an incident in our general financial system.

If the panic of '93 was caused by the demonetization of silver, what caused the panic of '73? which really began before silver had been demonetized and which reached its greatest height before the law had time to produce any effect? If the panic of '93 was caused by the demonetization of silver what caused the panic of '57 and '37 which came upon us when the dollar of the daddies was with us in all his glory? And what caused the panics which have occurred in countries where silver has never been demonetized? The panic of '93 was not caused by the Sherman silver bill and by the fear on the part of the people that our paper currency would not be maintained as good as gold.

There never was a more preposterously false statement.

The demand during the panic was for money of any sort. The people did not care whether it was gold or silver or national bank notes, or greenbacks or treasury notes or silver certificates. There never was a moment during the panic that silver was at a discount or gold at a premium. There never was a moment during the panic when greenbacks and treasury notes which Carlisle was redeeming in gold were preferred to silver certificates which were redeemable only in silver dollars. There was one time during the panic when the sub-treasury at New York paid its daily balances in gold instead of in notes, because the people would hoard the notes but could not so well, on account of its inconvenience hoard the gold.

Just think of the absurdity of it? Claiming that the panic was due to the fear of the people, that the paper money would depreciate and not be as good as gold, and then paying out gold because the people would store away the paper money they were supposed to be afraid would depreciate, and would not hoard the gold which they were supposed to be laying awake nights crying for?

The plan was stopped, because the banks kicked. Whenever the banks kick Uncle Sam tumbles.

During much of the panic on account of the scarcity of small bills, silver dollars and one and two dollar silver certificates were at a premium in New York. You could at one time take nineteen silver dollars or nineteen silver certificates and trade them for a twenty dollar gold piece. And during the greater part of the panic silver dollars and one and two dollar silver certificates were at a premium above gold eagles and double eagles of from 1 to 3 per cent.

It is commonly stated and generally believed that silver dollars and silver certificates are redeemed by the United States treasury in gold. This is not true. Silver dollars and silver certificates are not and cannot be redeemed by the treasury in gold. But during the panic gold eagles and double eagles were redeemed by the business men in silver dollars and silver certificates, and the gold was at a discount. And while this was the case and being reported in the daily financial dispatches from New York, the wise men were telling the people that the panic was due to the popular fear of a depreciated silver currency. Our silver dollars are just as good and pass as freely as gold dollars and always will as long as they are equally legal tender.

The panic and hard times and consequent distress has not been due to over population and to what some call the "parsimony of nature," which is simply a polite way of saying the stinginess of the Almighty.

For there has been no over-population and the Almighty is not stingy. With increase of population comes increased possibility of production. Few men can produce more than ten times as much as one, and a hundred can produce more than ten times as much as ten, and a thousand can produce more than ten times as much as a hundred. Robinson Crusoe upon his island could never have done more than secure a living. With his man Friday both were able to live better than either could have lived by himself.

The first few settlers on New England rock bound coast suffered untold privations not because the coasts were rock bound and the climate cruel, but because their number were too few.

New England's coasts are no less rock-bound now, its skies no fairer, but wealth is piled in unused masses because of larger population, and this notwithstanding the follies and iniquities of man. There is no parsimony of nature, God is not stingy. He has poured out his blessing with the hand of lavishness.

Were the national resources of the country developed even as well as those of the little Kingdom of Belgium each family would have an income of twenty-five thousand a year.

There is room enough and soil enough and iron enough and timber enough in the United States to support in affluence all the population of the globe, and we could have Mexico for our winter refuge and Alaska for our summer resort and the islands of the ocean for our Carnegies and Pullmans to build palaces on. Our troubles are not due to over-population or to the parsimony of nature. I am opposed to the immigration of the ignorant, the degraded and the vicious, who corrupt our people and weaken our institutions, but the coming of the sober, the industrious and the honest has never hurt this country and would not if every such person in the world came here. Our Father is rich and He has provided enough and to spare for everyone who ever has or ever will be born into this world.

The panic was not caused by over-production as has been alleged by some of our alleged wise men. A more idiotic idea was never presented. We live on what we produce. Production is to a nation what income is to an individual. Whoever heard of a man who was poor because his income was too large? Whoever heard of a man who went in rags because he had too

many clothes? Whoever heard of a man who went hungry because his larder was too full?

If there were but one man on this continent would he be impoverished because he had grown more food, and made more clothes and dug more coal than he needed? Would we not say of him that he now had a surplus and would be able to enjoy himself more and work less than he had been doing? And if this be true of one man would it not be true of two, and if true of two would it not be true of ten and of a hundred and of a million and of a hundred million?

Think of the absurdity of saying that multitudes are hungry because the farmers have grown too much wheat; that multitudes are going in rags because the manufacturers have made too many clothes; that multitudes shiver over fireless grates because the miners have dug too much coal?

And there has been no over-production. In 1884 the corn production of the United States was 33 bushels per capita, in '94 it was only 18 bushels per capita and yet we heard of an over-production of corn.

In 1885 the world's production of wheat was 2,263,000,000 bushels, in '91 it had fallen to 2,185,000,000 but we were told there was an over-production.

In '83 the world's production of cotton was 9,409,000 bales, in '93 it was only 9,008,000 bales, a decrease of 401,000 bales and yet we are told there was an over-production.

The panic and hard times were not caused by underconsumption. That idea is the twin idiom with the over-production humbug. What is consumption? Destruction. What we consume we destroy. The greater the consumption the less our accumulation. A man cuts wood all day. That is production. He burns that wood the next day, that's consumption. If he cuts more than he burns he accumulates and his wealth increases.

Over-production and underconsumption are simply different forms for stating the same idea, production and consumption are relative. Over-production is producing more than we consume. Underconsumption is consuming (or destroying) less than we produce.

The accumulation of wealth depends on the excess of production over consumption. The more we produce and the less we consume the more rapidly we accumulate wealth. You can instantly see that this is true of a man and what is true of a man is true of a nation.

I would not have you understand that the whole object of life should be to produce as much and consume as little as possible, for the accumulation of wealth is not the chief end of man, but as over production and under consumption are the only possible methods of accumulating wealth, how absurd to say that they are the cause of poverty and suffering.

But, you say, there is no demand for my product and as I cannot use it all myself, production is but waste of time and labor. But I say unto you there is a demand. Multitudes crying for bread and you say there is no demand for wheat? Multitudes going in rags and you say there is no demand for clothes? Multitudes living in fireless homes and you say there is no demand for coal? Multitudes that have no place to lay their heads and you say there is no demand for homes. But you say that those who are needing these things have nothing to give in exchange for them, but I say unto you that they have something to give. The farmer wants clothes and he has wheat to give in exchange. The maker of clothes wants wheat and he has clothes to give in exchange. The miner wants wheat and clothes and he has or can produce coal to give in exchange; and the farmer and maker of clothes want coal and they have wheat and clothes to give in exchange.

All the hungry and suffering ones have hard labor to give for what others have, and that labor will produce what others are needing.

You will find as I go on that it is not over production nor under consumption nor excess of supply nor lack of demand that is troubling you, but an artificial clamor which prevents distribution and exchange of what you have produced, and a system of robbery that takes from you without recompense, the product of your toil.

And now with all due respect to some of my prohibition friends I have to say that neither the liquor traffic nor the liquor habit were the cause of the panic of '93. And here I hope I may not be misunderstood. I hate the liquor traffic with a perfect hatred. I know its exceeding bitter fruit. I would that every saloon and brewery and distillery in the whole world could be blotted out of existence and the art of making intoxicants become one of the lost arts that should never be re-discovered. Twice in my life, through my opposition to this traffic, have I sacrificed all that I had accumulated and started again penniless in the race. I would do the same thing again tomorrow, if thereby I could hasten its overthrow. I hold that the only tenable position of any christian man, or of any good citizen towards this traffic is contained in the statement: "The liquor traffic must and shall be destroyed."

But I know that the liquor traffic is not the only evil in this country and it is not the only cause evil in this country I know that it is in itself the result of a cause, which came to the unholy greed of man; and I do not believe in making of the liquor traffic a scape goat on which those who plunder and vote and oppress their fellow men can lay their sins and have them carried off into the wilderness of public oblivion.

The first sign of the panic of '93 was a scarcity of money in the banks and the impossibility of getting accommodations from the banks. The first realising sense I had that a panic was on was when I sent up a gilt edge \$500 note to get discounted and was informed that the bank reserve was down to its limit. During the panic Chicago parties came to Springfield and offered our banks notes of millionaire Springfield manufacturers at a discount of five per cent a month or sixty per cent a year and the banks, anxious as they were for profits, did not take them because they could not. I want to do our Springfield banks justice. I know that during that panic when they did have a dollar to spare, they let it go to Springfield firms that needed it, at seven per cent a year, when they could have safely made ten times that per cent by speculating in the necessities of the people who were in a corner. I believe that a large majority of the banks, especially in the

smaller cities and towns are honest honorable, public spirited citizens, just as good as men in other occupations, and just as good as you and I would be if we were in their places. I am waging no war against bankers but against a system which makes bankers a necessity and which gives unlimited power over the people to greedy men who may be connected with a bank.

Frightened depositors crowded the door of the banks demanding their money and could not get it because the money was not there—and never had been there. Factories closed because they could not get the money out of banks to pay their hands. What did the liquor traffic have to do with the scarcity of money in the banks? Nothing! Why I've been told that if the men had not wasted their money in the saloons they would have deposited their money in the banks and there would have been money enough to run the business of the country. What did the saloon keepers do with the money when they got it? They did not eat it or drink it, or make it up into clothes. Every day every saloon keeper goes round to the bank and deposits all the money he has. If a man has twenty dollars in his pocket, it makes no difference in the amount of available money in the country whether he deposits that money in the bank himself or whether he gives it to a saloon keeper and he deposits it in the bank. It makes all the difference between heaven and hell to the man, but it makes no difference in the amount of money in the country. People have so long confounded money with property that they have formed the idea that spending money makes it scarce, just as the consumption of property makes it scarce; but when money is spent it does not cease to be, it simply changes its location. Spending money does not decrease the amount in existence, or make it less available and so far as the matter of scarcity of money is concerned it makes no difference whether it is wisely or wickedly spent. The money is still in existence and still available for purposes of commerce. The liquor traffic does not make money scarce, does not cut down the amount in the banks, does not prevent manufacturers or business men from getting loans and could not have created a panic. But it is argued that if the twelve hundred million dollars, annually spent in the saloons were spent in the legitimate channels of trade it would give employment to all the unemployed workmen in the country and give a wonderful boom to all our legitimate industries.

I have heard able speakers go through a lengthy course of figures and divide up this twelve hundred millions. With so much of it they would buy coal and so set all the idle miners at work at advanced wages; and with so much of it they would buy carpets and so set all the carpet weavers at work at advanced wages. I know the argument by heart for I have made many a speech and written many an article at that line, but one day in following this matter out to its conclusion I ran against a snag, and I stopped and began to dig deeper and learned something. I learned that all this money does go into the legitimate channels of trade and gives employment to just as many men, but that the money parties secured the product of their labor.

I learned that when this twelve hundred millions goes into the hands of saloon keepers and brewers and distillers and bartenders, they don't eat it or drink it or burn it up but they promptly spend it for clothes and carpets and food and luxuries, and that while men who spend their money for drink are wronged and robbed, that the money itself, gives just as much employment to other labor. Let me illustrate.

Smith and Brown work in the same shop, they are good workmen and each gets \$20.00 a week. When the whistle blows on Saturday evening, each stops at the cashier's window and gets his envelope containing a twenty dollar bill.

Smith goes home to his wife and hands her the bill and says, "Jennie, you need a new carpet for the sitting room, go out Monday and buy one." So Monday morning Jennie goes to the store and buys a carpet, and the storekeeper gives an order to the manufacturer and the manufacturer gives an order to his men, and Smith's twenty dollars gives ten men a days work making another carpet.

But Brown as he goes home feeling a little weak and weary, stops at a saloon to take something to brace him up and then he takes a little more to brace the jaeger and then a little more for luck and by the time he has spent a couple of dollars he is so drunk that he hands the saloon keeper his twenty dollar bill for a two, and the saloon keeper puts it in the drawer and says nothing about the change. Then he kicks Brown into the street for the police to take care of, locks up, and goes home and handing Brown's twenty dollar bill to his wife, says, "Mollie, you need a new carpet for the nursery, take this bill I got from that fool Brown tonight and go out Monday morning and get one." So Monday morning Mollie goes to the store and buys a carpet and the store keeper gives an order to the manufacturer and the manufacturer gives an order his men, and Brown's twenty dollars gives ten men a day's work making another carpet.

But Brown's wife says, "Mollie, you need a new carpet for the nursery, take this bill I got from that fool Brown tonight and go out Monday morning and get one." So Monday morning Mollie goes to the store and buys a carpet and the store keeper gives an order to the manufacturer and the manufacturer gives an order his men, and Brown's twenty dollars gives ten men a day's work making another carpet.

But if the liquor traffic were destroyed and the half million drunken men made sober would they not go to work and support their families and so do away with that much poverty?

Yes, under righteous economic conditions, where those who wished employment could get it. No, under existing conditions where men cannot get work because monopoly has shut against them the door of opportunity. There are a million sober men in the country today who can not get work. There are half a million drunkards who could not work if they could get it. Sober up the half million drunkards and leave the door of opportunity closed as they now are and you will simply have a million and a half of sober men out of employment. But you say is not the liquor traffic a burden on the community? Certainly it is. But it is absurd not because it compels them to work more in order to secure the same returns.

Everybody on the face of the earth must be supported by those engaged in productive industry. There is no other source from which they can get their support. The profit of the earth is for all. The King himself is served by the field.

All the idle and unproductive of every class, plutocrats and paupers, drunkards and dudes, speculators and sheep stealers, burglars and bond brokers, railroad wreckers and bar tenders, tramps and tricksters, all get everything they have from the labor of the producing classes. The larger the number of the useless and unproductive class, the less will the useful class be able to retain of the product of their own labor. If you are now able to make a comfortable living by working nine hours a day you could make just as good a living by working eight hours a day if the liquor traffic were destroyed. And you could make just as good a living by working four hours a day if in addition to the destruction of the liquor traffic monopolies were overthrown. The doors of opportunity opened to all and every able bodied man enabled and compelled to support himself instead of being a parasite on the community. No, the liquor traffic did not cause the panic nor is it necessary that we should lay on the liquor traffic sins other than its own in order to make it seem to be an evil great enough to demand destruction.

He has indeed but little sympathy for human woe if the misery and sorrow in a half million drunkard homes is not sufficient to make him say that the liquor traffic must and shall be destroyed.

He has small sense of the value of a human soul, if the loss of sixty thousand human souls each year through the liquor traffic will not arouse him to action. He who has ever attempted the impossible task of measuring the length and breadth and height and depth of the sin and suffering caused by the liquor traffic feels no need of attempting to add to its measureless measure by charging it with evils flowing from other forms of human greed.

What caused the panic of '93? Listen: According to the official report of the comptroller of the currency, the condition of the banks in the United States on December 5, 1892 was as follows:

Total number of banking institutions, 9,352.

Total amount of deposits in banks subject to check, \$4,690,890,433.

Total amount of all kinds of money, including nickles and pennies in all banks, \$596,405,103.

In other words there was on deposit in the banks of the nation subject to check eight times as much as the total amount of money in all the banks combined and three times as much as the total amount supposed to be in existence. That seems impossible. I made the statement in the paper some time ago that the deposits in banks exceeded the total amount of money in existence, and a man wrote and told me I was a fool and dared me to explain.

Well, I knew I was a fool. I have been told so often that doubt would be impossible. Most men are, but not all men have the opportunity to discover the fact, which a newspaper man enjoys. But, fool as I was, it did not take me long to explain the matter.

Suppose that there is only a hundred dollars in existence and Brown has that. I open a bank. Brown deposits his hundred dollars with me and I give him credit on his bank book. Smith comes in and wants to borrow a hundred so I take Smith's note and he takes the money and pays it to Jones who deposits it in my bank and I give Jones credit on his bank book. I have omitted the matter of the legal reserve for simplicity's sake as it does not change the principle. The deposits in my bank are now two hundred dollars and there is only one hundred dollars of legal tender money in existence. Brown wishes to pay Johnson fifty and he gives him his check and Johnson deposits this check and I give him credit on his bank book. All this time there is a hundred dollars in money in the bank and Smith's note is not a legal tender. All goes well as long as all payments are made by check and checks are deposited. I have a hundred dollars which I can lend and re-lend and so supply the community with money and myself with profit. But one unlucky day Brown comes in with a check for his fifty and asks for currency and Jones comes in with a check for his hundred and wants the currency. What's the consequence? Why the Bank puts up its shutters, depositors can't get their money, borrowers can't be accommodated, business is paralyzed and there is a financial panic. The deposits in the bank on December 5, 1892 consisted in round numbers of a half billion of money which was practically legal tender and four billion dollars of personal notes, which were not legal tender but served the full purpose of money as long as there was public confidence and nobody was trying to corner the money market, and business was done by checks. You give a bank your note for a \$1,000 and get credit on your bank book for that sum and begin checking against it. You are not checking against money for you have put no money there, you are checking against your note and the bank's acceptance of your note has enabled you to use your promise to pay as money. Thus the business of the country has been conducted with about four and a half billions of money, one ninth of which was money issued by or under authority of government, and eight ninths of which was personal notes used as money by the assistance of the banks and the confidence of the people in the banks.

But let the confidence of the people in the banks be destroyed by accident or design or let the banks decide to cease accepting this commercial paper so it can be used as money and the whole four billions ceases to be available as money and the amount of money available for purposes of business is reduced eight-ninths.

Why my free silver friends talk much about the contraction of the currency caused by the demonetization of silver if all the available silver in the whole world could be coined in a single day it would not replace this personal money consisting of checks made against commercial paper, and which the banks can extinguish at any moment they feel so disposed and which they are compelled to largely extinguish whenever some combination of Wall St. sharks starts a panic.

Our greenback friends talk about the contraction of the currency between 1865 and 1873. But all the currency that was coined in during that entire period did not amount to one-fourth as much as the banks can withdraw in six months of this personal money consisting of checks made against commercial paper, whenever they are so disposed or compelled.

Understand me; if you deposit a thousand dollars in money in a bank, and draw checks against it and pay your bills with those checks, you do not thereby make any addition to the money in use.

Your checks simply transfer actual money all ready in the bank, from your account to some other man's account.

But if you deposit your note in bank and pay bills by checking against that note you thereby add that much to the total actual circulating medium of the country. You are really coining your note into money, by the assistance and endorsement of the bank, and circulating your coined notes.

We see therefore that just prior to the panic there was a half billion government money in use, and four billions of personal money issued by the people with the consent of the banks. Over the half billion the banks had only partial control. Over the four billion of personal money the banks had absolute control, not a dollar of it could be issued without their consent.

Every dollar of it already issued must be withdrawn, if they issued the edict. With the first signs of the panic the edict was issued,—"Call in your loans and reduce your discounts."

And they proceeded to do so as rapidly as possible, thus reducing the amount of personal money by the millions every hour.

No wonder all business was paralyzed, I do not say that the majority of the bankers were disposed to cripple the business of the country.

I do not think they were.

But under the system most of them could not help themselves.

It was crush others or be crushed.

A few Wall St. Money Kings pulled the string and the bankers and all the rest of us had to dance to their music.

I am not waging a war against bankers. I am fighting a system which gives to a self appointed company of less than ten thousand men, absolute control over the issue of eight ninths of the working money of the country, and equal control of a large part of the other ninth. I do not believe that such power should be entrusted to any company of men, no matter how nearly sanctified they may be. I do not believe that all the business men and manufacturers and the farmers and laborers should owe their right to life, liberty, and the pursuit of happiness, to the gracious consent of nine thousand bankers, even though those nine thousand bankers should be the very salt of the earth. But such is the situation today.

Eight-ninths of the money so essentially in effecting exchange of the products of labor consists of this personal money—checks issued against personal notes. Not a dollar of this can be issued except with the consent of the banks of the country, and every dollar of this must be recalled whenever the banks so decree. And that decree may be issued at any time as the result of either corrupt scheming or selfish panic of the bankers.

Fortunately for the country the banks have never exercised this power up to its limit. The withdrawal of the whole four billion of personal money which depends for its existence on the consent of the banks, would plunge the country into absolute ruin. No business could be transacted because there would be no medium of exchange.

The few hundred millions of government money in existence would be utterly incompetent to meet the task. Every factory would close, and the sound of the whistle be heard no more over valley and hill. The trains would stop. The stores would put up their shutters, working men would be idle and gaunt-eyed hunger would prowl unmolested through our streets until driven out by wild-eyed anarchy and the silence of desolation was broken by the uproar of destruction.

During the panic some of our large manufacturing establishments stronger and safer than almost any bank in the nation tried to meet the difficulty and continue business by issuing their own notes in small denominations. Instead of depositing one note for ten thousand dollars in bank and then drawing a thousand checks for ten dollars each against it, they issued a thousand notes for ten dollars each and paid them out to their men. The men would have accepted them. The stores would have circulated them. The factory issuing them would have received right along in payment for their goods and the notes were absolutely certain of redemption. No living man can give any reason why those notes should not be as good as the factory's check on bank against a note deposited by that factory. The only difference is that in the one case the bank would make a profit on the transaction and in the other case it would not.

Could this plan have been carried out by the large strong factories, whose notes would have been generally accepted, the panic would have been largely averted and hundreds of thousands of men been kept at work.

But the government stepped in. This scheme would be interfering with the prerogatives of its pets, the nine thousand banks. It was a defiance of their authority. It would enable some business to be conducted without paying tribute to the banks, and would have been a dangerous object lesson in financial independence.

I do not wish you to think that I am presenting this plan as a solution of the financial problems; it would be attended with enormous disadvantages. Only concerns that had a widespread and unquestioned financial standing could resort to it with any degree of success and it would be open to some abuses and many inconveniences that I cannot take time to enumerate.

But there is no question that if the plan had been permitted during the panic that it would in a large degree have relieved the distress and would have kept hundreds of thousands of men employed. Had an occasional firm failed and the men lost so much of these notes as they had in their hands the loss to them would have been far less than if they had not worked at all. Suppose a man, by this plan had been kept at work six weeks and the firm failed and he lost one weeks pay, which he had on hand, he would have been five weeks pay better off than the man who had not worked at all. And suppose that the community in the case of strong concerns, accepted these notes and they passed from hand to hand as money and once in a while one of these concerns had failed and its notes that were out in circulation became worthless—The loss to the community would have been less than the total destruction of business and far less than was caused by the closing of