tion based on United States bonds thus released. We are reminded that that was the policy adopted by Mr. Shaw last year. Is it not strange that Mr. Shaw abandons that policy this year at the very time when the newspaper dispatches reveal the fact that national banks are retiring their bank notes in such large amounts and numbers that the limit of the amount retired within any one month—$3,000,000—is very nearly reached during this period.

If while the financiers are clamoring for an increase in the volume of currency through the asset currency scute, they retire the bank note circulation on the government bond plan to such an extent that business men will become so embarrassed that they may be persuaded to urge their congressmen to vote for the asset currency scheme for the sake of "business interests"—then it may be possible for the asset advocates to work up quite a sentiment in favor of their unholy scheme.

The retirement of the bank notes issued on government bonds may have large effect in pushing through the asset currency measure; and if that shall be the result, Secretary Shaw, who seems to have great legislative powers within himself, will doubtless be able to look after the Aldrich bill by arbitrarily putting into effect the provisions of that measure.

A Valuable Admission.

The Chicago Chronicle has found it impossible to ignore the rise in the price of silver. In a lucid interval the editor of that paper has admitted the contention of bimetallists—a contention heretofore disputed by the advocates of the gold standard, namely, that legislation increasing the use of silver increases the price of silver. One ultra-advocate of the gold standard announced a few years ago in answer to a question, that if all the nations of the world were to remonetize silver it would not increase its price, and that if all the nations of the world were to demonetize gold it would not decrease its price.

The Chronicle, however, not only points out the affect of the recent legislative demand on the price of silver, but it argues that a further rise in the price of silver will bring a suspension of the legislative demand in Japan and Russia, and even in India, and thus "stop the rise."

The editorial will be found on another page, and is worth reading, not because the doctrine presented is new, but because it is an acknowledgement from an unexpected source of a very plain principle. That the value of silver depends upon the law of supply and demand is understood by all, but that legislation can create a demand for silver is a thing which the advocates of the gold standard have strenuously denied. When it is once admitted that legislation can create a demand for silver the man who admits it must admit the possibility of the maintenance of a parity between gold and silver. He may insist that international bimetallism is necessary, but he can no longer talk about the impossibility of maintaining the parity.

Preaching and Practice.

In a recently delivered speech Mr. Roosevelt said:

> "I want to see men decent; I want to see them act squarely.
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> "You know I am very fond of Mr. Riis, and the reason is that when I preach about decent citizenship I can turn to him and think he has practiced just what I have been preaching. The worth of any sermon lies in the way in which that sermon can be and is applied in practice."

The Philadelphia Public Ledger, a republican paper, makes an interesting comment on this address, under the head-line, "The President as a Preacher." The Public Ledger says the people will not tire of the sermonizing habit if Mr. Roosevelt "makes or merely tries to make a practical application of these fine principles." But the Public Ledger holds it to be "as clear as day that the president of the United States has no warrant to go about the country urging the great American people, who are sound and decent, too, in the main, to be decent and patriotic and politically clean, if he continues to strike hands with Addicks of Delaware, or even permits his postmaster general to use the whole power of his administration for the purpose of strengthening the Addicks faction in Delaware. We say 'continue,' for the resignation of William Michael Byrne from the office of district attorney of Delaware recalls the fact vividly enough that it was the president who placed Byrne in the position."

This republican newspaper throws a bit of light on Mr. Byrne when it directs attention to the fact that Byrne came into notice as an anti-Addicks republican, and was given the post of district attorney as a member of the opposition of that faction. In 1899 Mr. Byrne said:

> "The party can and ought to be united, but any attempt to unite it by a corrupt bargain in advance, to give a senatorship to Addicks, will be indignantly repudiated by all who carry conscience into the discharge of their public duties."

The Public Ledger says that after all this Byrne "went over to the Addicks camp, accepted the nomination for congress from the band and served the useful and vindictive purpose of defeating the regulars and seating a democrat." The Public Ledger expresses the wish that Mr. Roosevelt will be strong enough to break away from the Addicks gang, but in the event that Mr. Roosevelt continues to affiliate with that "gang" the Public Ledger says: "Let us have no more sermons, say we."

Mr. Roosevelt ought to be quite willing to yield to the very reasonable demand made by the Public Ledger; for it was Mr Roosevelt who said, and we think he has repeated the statement on several occasions, "Words are good when backed by deeds—and only so."

But the editor of the Public Ledger is not the only republican who is beginning to understand that as an orator Mr. Roosevelt is given to sermonizing while as a public official he is not inclined to back up his words by deeds.

Manipulating Bank Currency.

The New York Times is a little alarmed at the manner in which the banks are manipulating the bank currency. In a recent editorial the Times says:

> "The policy of retiring notes at a moment when the cry is that more notes are needed would appear to be illogical and unbusiness-like. On the surface appearances are so much against the banks that Mr. Bryan, for instance, in case he should interest himself in the question, would be able to make a statement to an audience which the most skillful expounder among the bankers would find it exceedingly hard to controvert. An advocate of free silver coinage or government paper money would boldly declare that the banks retire their notes in order to keep up the money rate; that their professed desire for larger liberty of issue is insincere, their real purpose being to make money scarce and dear. Such a statement would seem preposterous if made to well-informed men, but put in a popular fashion and supported by the facts by which Secretary Shaw justifies his 'blacklist,' it would be difficult to refute it in a way to carry general conviction.
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> "The simple truth is that the national banks retire circulation in order to make money, and all of them, without any exception whatever, were organized to make money. When a national bank issues notes it deposits in the treasury at Washington United States government bonds. The bonds now chiefly used for that purpose are the United States 2 per cents. On August 7, United States 2s were quoted at 106¼ to 107. Not long after that date Secretary Shaw announced that he had discovered a lawful way to transfer a portion of the surplus representing internal revenue receipts from the treasury to the national banks in the form of deposits. The preferred security for these deposits is government bonds. The first effect of the secretary's announcement was an advance in the quotation of the 2 per cents. The recorded price Saturday was 108½ to 109½, representing an advance of $20 on every thousand-dollar bond as compared with quotations a month ago. If a bank desired to get bonds as a basis for deposits from the internal revenue receipts, its managers might conclude that the cheapest way to get them was to take their own bonds from the treasury by retiring circulation; or, they might decide to retire their notes and sell the bonds for the sake of the profit at the higher price. In either case they would be governed merely by the universal business considerations of financial advantage. They would make money for the bank's stockholders."

The above is interesting, coming as it does from a paper so thoroughly devoted to the interests of Wall street. The fact that the banks are in business for the money there is in it ought to be apparent to all, but the banks are regarded as patriotic and charitable institutions by so many people that it is necessary to produce admissions like the above to open the eyes of those who have been deluded. The flexible currency that is so much talked about is a currency that the banks can control. If the power of the banks to expand and contract the currency is limited by law it ceases to be flexible except within the limits provided by the law. If a government official is given control over the issue and retirement of bank notes, then the flexibility depends upon the judgment of the official. Flexibility means that some person or persons shall have power to determine the volume of paper money. Where shall this power be located? In the banks? If so, we must expect the banks to use it for their own pecuniary advantage without regard to the welfare of the public. Is the power to be vested in congress? Then why not retire the bank notes and substitute greenbacks, leaving congress to determine the volume? If the power is to be vested in a treasury official, then why not substitute greenbacks for bank notes and give the treasury official the authority to determine, within certain limits, the amount of greenbacks to be issued or withdrawn? No argument can be made in favor of a bank currency except that it is a good thing for the banks. When the people understand, as they ought to now, that the banks have been running the government in their own interest without at all considering the interest of the public, there will be a revolution in public sentiment that will prevent a longer surrender to the banks of the government's sovereign right to issue and control the volume of paper money.

1892 Again.

Some of the gold papers are still harping upon Mr. Bryan's vote for Weaver in 1892. The election of 1896 showed that Mr. Weaver was a better democrat than Mr. Cleveland, but it is not necessary to fall back upon this fact to justify the action taken by the democrats of Nebraska in 1892. The democratic electors only polled 24,943 votes in Nebraska in 1892, while the republican electors polled 87,218, and the populist electors 82,134. If the vote represented the party division in the state as it then existed, the republicans had a plurality of more than 62,000 over the democrats, while the republican plurality over the populist vote was only 4,902. In the face of these figures it must be admitted that the democrats very wisely attempted to defeat the republicans by voting the populist ticket with the hope of throwing the election into the house of representatives (where the democrats had a clear majority), or, if the gold bugs refuse to accept that interpretation of it, they must admit that Nebraska's protest against Mr. Cleveland was a very forcible one, even as far back as 1892. If the friends of Mr. Cleveland will compare his vote in Nebraska in 1888 with his vote in 1892 they will be glad to find some explanation that will account for the tremendous shrinkage. The actual explanation as well as the most reasonable one is that the national committee advised the democrats of Nebraska, as it did the democrats of several other western states, to vote for the populist electors with the hope of securing the election of a democratic president in the house of representatives in case no candidate had a majority in the electoral college.