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An Elastic Currency

A few words concerning the demand of Wall street for an elastic currency in the shape of notes, to be issued upon the "assets" of private (national) banks. As for the embryonic bankers who echo this impudent demand at their annual gatherings and support the legislative bills designed to give it effect, it is doubtful if they understand its import.

If, as all admit, and as all must admit, for there is no way out of it, money is a measure of value, then an elastic money must mean an elastic measure of value. It requires no great exertion of the intellect to recognize the gross inequity of an elastic measure of length or of volume, such as an elastic yard stick, or bushel basket. Why should it need more to see the injustice of an elastic measure of value? Is it not evident that the people who make this demand also mean that they shall alone have the right to use the unjust measure? They surely cannot mean that anybody else shall use it. Let us suppose, for the sake of illustration, that the government of the United States issued and employed an elastic currency and the bankers had to submit to it, would it be quite as popular with them as now it seems to be? Were the elastic issues of greenbacks during the civil war popular with bankers?

The principal argument which has been advanced in favor of an elastic currency is the necessity of providing for money to move the crops and the advantage of keeping the stock market steady during the time that money is withdrawn by its western owners from the eastern banks for such crop purpose; in other words, during the harvest season. But this is mere pretense. Who is it that moves the crops? The railways; whose charges are only due and payable when their freight is delivered. Who is it that buys the crops? The country storekeeper; whose funds are deposited in the local bank, which bank has loaned them at a low rate of interest to an eastern bank and which latter has loaned them at a higher rate of interest to Wall street. The stock market is therefore supported in a certain measure by borrowed funds, whose owners are sure to require its temporary return during the harvest. An elastic currency means that somebody shall supply Wall street, or the banks of the stock market, with funds, in place of the western funds thus temporarily withdrawn for legitimate use. No prudent person will do such a thing without ample security and a profitable rate of interest, the latter of which Wall street is averse to paying. Therefore it asks the government to furnish it the funds free of interest! Such is the nature of the demand for elastic money, and such is one practical outcome of the bills to authorize an asset currency.

If, instead of conferring upon the bankers the power to issue such an additional volume of private banknotes indorsed by the government as would enable Wall street to employ an elastic currency, the government were to establish a non-elastic, but stable and steadily but slowly increasing currency, the stock market might suffer a little; but the farming, manufacturing and commercial interests would profit greatly. In the fluctuations of the stock market the government should take no interest, while in the prosperity of the industrial classes it should feel the deepest concern. A stable currency, by affording encouragement to manufactures and merchants, would vastly extend our foreign trade; and by thus increasing the demand for our farm and manufactured products raise their prices and increase the reward of the producer. The present system of money deprives the merchant of his proper employment and the farmer and manufacturer of a wider market, whilst it surrenders both classes to the manipulations of a gambler's stock exchange. An honest money requires no elasticity. Elasticity is not a function of money, but of credit. The periods when money is required for moving the crops, or for any other great commercial purpose, are well known beforehand and ample funds to provide for them can and would be

furnished by mercantile credits at the statutory rates of interest. What Wall street wants is to substitute its own credit for that of the manufacturers and merchants; to obtain money free of interest, so as to lend it out at usury. A. D.

Good in Yurruip

Editor Independent: How hath the mighty fallen! The Weekly Inter-Ocean of March 23 contains the following: "In the long run the increasing supply of gold cannot fail to lessen its purchasing power."

After years of battling against the silencing of truth, this great apostle of privilege admits all that we ever claimed concerning the quantitative theory of money. Mind you, this admission occurs in an editorial entitled, "Cheapening Money." Quoting Bro. Tibbles, the "mullet head" will say: "Yep, that's so," and con-

tinue to vote 'er straight for money "good in Yurruip."

By the way, I cannot see how any many of good common intelligence can read the Inter-Ocean for a year and still be a republican.

W. E. FERGUSON, Jr.,
Operator of Push Farm.

Hartington, Neb.

(Perhaps the editor of the Inter-Ocean had just been reading the recent mint report and that was what frightened him. It is stated that during February and part of March the mint at San Francisco coined 110 tons of gold, or \$54,693,500, or more than a million a day. Of course if that rate was kept up for a few years the "intrinsic value" of gold would mostly disappear.—Ed. Ind.)

D. L. Perine, Harrison county, W. Va., after a visit in California, writes: "I have not, therefore, had the pleasure of reading The Independent until my return; but I am now at home—and a better people's party man than ever."

Populist Clubs.

I am pleased to report the organization of three new clubs this week; one at Boonville, Ark., with W. D. Wilson, secretary, and the following charter members: Wm. A. Lassiter, president; W. D. Wilson, secretary; T. Wycarber, Benj. Bangs, R. F. McCoy, L. A. Smith, as members. Secretary Wilson writes: "The referendum vote is our only hope of success. The time never was better for populism in Arkansas than now. The democrats are hopelessly split, and with good management the people's party will regain all they lost in 1896. Would it not be better to spend a little effort in rallying the Old Guard in this and other states than storming the brush for something we know nothing of? Just now the Macedonian cry goes up from this state: 'Come over and help us, that we may the sooner be able to help others. Our list is small, but there are others who will come in. This was gotten together while the excited throng surged in a mad effort to down the noble Davis, who stands for the people, and against the trusts. I am 62, long in the service, always in the middle of the road, and there to stay.'

Club No. 7 comes from Rusk county, Tex., J. M. Turlington, Tatum, Tex., secretary. The membership is as follows: Wm. Watt, J. P. Clark, P. L. Clark, J. L. Vinson, J. P. Vincent, G. T. Vincent, H. N. Brown, W. J. Free, and D. L. Cobb. Secretary Turlington does not say much, but what he does say is to the point. He says: "We want to get into the work in Rusk county." What we need is a little band of brave men in every county who will get into the work and stay there, and not get discouraged, and add a member here and there until the club gets big enough to win.

Club No. 8 comes from old Milam county, Texas. There are no better pops in the world than they have in old Milam, and some of the best of them have been gotten together in Club No. 8. The charter members are: B. F. Williams, J. L. Brown, J. D. Shelton, J. C. Catchins, S. D. Gutrie, T. J. Eiland, J. H. Lewis, H. W. McDaniel, A. A. Conley, J. A. Crow, B. M. Hutchinson, D. L. Berry, and J. A. Berry. J. H. Lewis of Rockdale is the secretary. He says: "The populists of old Milam are all right. They only need to wake up. Most of them are as full of zeal for the cause of reform when they get stirred up as they were ten years ago." The same condition prevails everywhere, and it is the mission of the working club to stir them up, and get every one to enroll his name as an active member.

I have seen much adverse criticism on the letter of Hon. Tom Watson indorsing Wm. R. Hearst for president. Some have even intimated that the noble Watson has fallen from grace. But, however strong we may be in our opposition to the organized democracy, none of us can deny that the life and services of Wm. Randolph Hearst stand out in contradistinction with all the rest of his party. He is the greatest living democrat, because he is the only democrat who does anything. The rest of them talk and talk and talk—Hearst saws wood and says but little. He is altogether too good a man to train with the bunch he is with. We can have no objection to Hearst, but the crowd he will have to train with if he gets the nomination is enough to give anyone the blind staggers.

The campaign Mr. Hearst is making for the presidential nomination has been the most remarkable from many points of view of any ever waged in this country.

First, the frank, open way in which he has announced for the office and urged his own candidacy, saying that the people are entitled to know if a man really wants an office, and what he proposes to do with it if he gets it.

Second, the flood of bitter calumny that was hurled at him by the trust newspapers, and the short, sudden stop that came to it for some reason.

Third, the fact that Hearst, a millionaire, not only boldly champions the initiative and referendum and

THE REASON WHY.

State taxes this year will be approximately **60 per cent. higher** than in the years 1897-8-9.

Today the county assessor and his deputies are making a most thorough, painstaking search for every scrap of property owned by the people, so that this big increase in taxation may be placed upon it. In a few weeks the state board will assess the railroads. If the board does its full duty, the heavy increase in state taxes will fall alike upon the railroads and on the people. Whether the board will do its duty remains to be seen.

But why should state taxes be so much heavier this year? The question is easily answered. It is because the

Republicans Redeemed Nebraska.

Let us compare notes. In 1897 a populist legislature appropriated **\$2,335,843.40** to be expended by populist officials in maintaining state government for the two years ending March 31, 1899. Populist state officers carried on state government with efficiency those two years at a total cost of **\$2,161,587.17**, and paid off **\$364,589.46** of the floating debt.

The republican legislature of 1903 appropriated **\$3,704,280.70** to be expended by republican officers in maintaining state government for the two years ending March 31, 1905. It seems tolerably certain that most of this enormous sum will be spent.

Populist state officers in four years cut down the state debt **\$677,093.10**. In the three years of republican "redemption" the debt has been increased **\$535,729.49**. And why?

Because the "redeemers" are spending the people's money with a lavish hand. Let us put the figures in handy form.

The State Debt.

Populist Reduction, 4 years.... **\$677,093.10**
Republican Increase, 3 years... **535,729.49**

Appropriations.

By Populists in 1897..... **\$2,335,843.40**
By Republicans in 1903..... **3,740,280.70**
Republican Increase..... **\$1,404,437.30**

Do you wonder why your taxes are so much heavier? Study the figures and know the reason why. Increased state taxes are absolutely necessary to pay for the luxury of

REPUBLICAN "REDEMPTION."