

On Greenbacks, Free Silver, and Free Banking

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The meeting in St. Louis between Powderly, Wright and Beaumont of the Knights of Labor and the officials of the Farmers' alliance and kindred organizations seems to have resulted in establishing relations which will aid in the interchange of views and the gradual concentration on mutual aims, without much definite immediate result. Anything better than this was, however, hardly to be expected, for the strength of these organizations in among the farmers of the west, who from their situation are behind in new matters of discussion. Though the land resolution adopted does not amount to anything in itself, it at least serves as a peg on which to hang discussion, and the platform recognizes the land question as one of the great questions to which effort is to be directed. One of the best things done was the adoption of a resolution in favor of the Australian ballot, and while all sorts of reforms, or alleged reforms, were indorsed, money, land and transportation are the three matters which it was agreed that the farmers and the workingmen should strive to press to the front. As has been seen in the Knights of Labor, the land question, as the discussion proceeds, must steadily come to the lead.

The land resolution is as follows:

“We demand the passage of laws prohibiting the alien ownership of land, and that congress take early action to devise some plan to obtain by purchase all land now owned by aliens and foreign syndicates, and that all lands now held by railroads and other corporations in excess of such as is actually used by them be purchased by the government and held for actual settlers only.”

Not much for a beginning, but still a beginning. The discussion of alien ownership of land inevitably carries with it the discussion of ownership of land; and any discussion of such a scheme of purchase will quickly develop the idea of the single tax as a cheaper and better way of securing land to actual users.

The financial demands of the platform are : (1) The issue of a sufficient amount of fractional currency to facilitate exchange through the United States mails. (2) The free and unlimited coinage of silver.

The first of these demands is eminently just and wise. For the withdrawal of the fractional currency from circulation there was no manner of valid excuse. It was simply a little job of the contractionists, silver men and express companies at the expense of the

great body of the people, and has inconvenienced the farmers, who must go some distance to a post office to get a postal order, more than any other class. But it is an inconvenience to all, for no system of postal notes or postal orders can be as convenient for small remittances as was this fractional currency. And it is a loss to the people of the United States as a whole, since in the fractional currency a considerable part of the public debt was kept in a non-interest bearing form. That much of the fractional currency was dirty and ill smelling was no argument against it, any more than the dirtiness of a shirt is an argument against the wearing of shirts. It would be easy to keep fractional currency almost as fresh and as clean as Bank of England notes, if the same policy were adopted of always paying out fresh currency from government offices and depositories.

But while the first resolution is entirely good, the second is utterly bad. What does the free and unlimited coinage of silver mean? It means simply that the government mints shall impress on any amount of silver which anyone may bring them for the purpose, that official stamp or "fiat" which now enables seventy-two cents worth of silver, or its representative, to pass current among our people for a dollar. So far as this stamp or "fiat" would add any value to the silver, its effect would be to enable the owners of silver mines, like the Windoms, the Joneses, the Mackays, the banks and the owners of silver in foreign countries to make forced sales of silver to the masses of our people at more than its market price, But the speedy and inevitable result would be the depreciation of our currency and the driving out of circulation of everything but silver and silver notes.

Now it may seem to those who owe money, and it certainly does seem to a good many of the farmers burdened with mortgages, that this would be to their advantage, since they could pay off their debts with a less valuable currency. But nothing is more certain than such a depreciation—like the subsequent appreciation, which sometime would be sure to follow—would really be to the relative benefit of the rich and to the injury of the men who work for a living. The moneyed class can always best guard against and take advantage of any impending change, and, as we all know by experience, when any form of currency begins to depreciate, that is the currency which is forced upon wage workers and which they are the least able to refuse. With the deliberate idea of depreciating the currency there is also mixed some idea of retaliation for the forced contraction of the currency after the war. But two wrongs do not make a right, and in wrongs like these the poorer and most helpless class are always sure to suffer most.

Secretary Windom's proposition that the government should go even further than it yet has into the business of buying silver, is simply an attempt to use the administration for the benefit of the members of the administration, which is a hundred-fold worse than anything John Wanamaker has attempted or apparently thought of. Mr. Windom, according to a Colorado correspondent of THE STANDARD, is the owner of some two hundred silver claims, which might be somewhat increased in value by the government going into this business. But the farmers might as well ask that the government should buy up wheat as the silver men ask that the government should buy up silver. Any debating club that should discuss the question, Which is the most useful silver or wheat ? would quickly decide in favor of wheat.

In this issue of THE STANDARD we give place to a condensation of a long communication from Mr. Alfred B. Westrup, of what styles itself the "Mutual Bank Propaganda," in reply to a criticism by Thomas G. Shearman upon a circular issued by that concern. As to the article itself it is hardly necessary to say much. Who would profit if everybody were allowed to issue money? Evidently the richer class, who could start banks and issue money, and the large employers of labor, who could in many cases force money on their employes.

Lee Merriwether, the active and efficient labor commissioner of Missouri who recently made an exposure of how the Mendotta mining company was working the "free money racket " on its employes by paying them in checks, has recently investigated similar cases in the southern part of that state. Here are some samples:

"Holloday has a store, and if his employes do not wish to purchase his goods they get no wages at all. One of his employes, an intelligent German, whose board shanty, although meagerly furnished, leaky and full of cracks and holes, was scrupulously neat and clean, stated to me that last August, on the so-called pay day, he went to Mr. Holloday and asked that the wages due him be paid in cash, as he wished to return to his old home in Michigan. 'I was feeling very poorly,' said this employe, 'and told Mr. Holloday that I wanted to go back to my old home to die. Mr. Holloday said to me: 'You can die here just as well as in Michigan. I can't give you anything except checks.' The checks are only good at his store. The railroad won't take them, so I cannot go. My lungs are weak. I want to go to Colorado, but do not see how I shall ever get there, as I am never paid in money.' The wife of this man, who at the time I saw him looked weak and consumptive, told me that although \$17.17

wages were due her husband, she could not get enough money to buy a pair of shoes. She talked simply, not complainingly, as though it were the usual and proper thing to be paid in pasteboard, as though Mr. Holloday, in refusing to give her husband his wages in money, merely refused a favor. While one of my agents, Mr. C. N. Mitchell, ex-mayor of La Plata, Mo., was in the office of the lumber mills, an employe entered and asked for his wages. The cashier handed him a check. Mr. Mitchell heard the employe ask for money. The cashier refused. The employe said he wanted to leave town, that he was tired of working for pasteboard. The cashier coolly replied that he could walk out of town if he wanted to go, that he (the cashier) was authorized to pay only in checks. On another occasion when an employe who had just received a check for his wages asked for cash, the cashier refused, saying: 'I have paid you your wages, but if you want me to buy that check, that is another thing. I will give you \$4 for it.' The amount of the check was \$7.20. The postmaster of Williamsville buys checks from employes for seventy-five cents on the dollar. Sometimes all that the employe can obtain is fifty cents on the dollar. I have a number of other statements of Holloday's employes to the effect that they had applied for their wages on pay day, but were refused payment in cash and were compelled to accept checks on his store. One man says that he waited at the office until eleven o'clock at night to see Holloday and get his wages in money. During this time Mr. Holloday remained locked in his private office. At eleven o'clock the clerks forced the employe to leave in order to close the office. He went the three following days, but with no better success and was finally obliged to accept checks in lieu of lawful money of the United States."

If the free money people had their way Holloday's pasteboard checks would be lawful money of the United States, and pretty much every large employer would constitute himself a bank and begin issuing this sort of money.

The truth of the matter is that the power to issue money is a valuable privilege which, to secure the best circulating medium and to put all citizens on a footing of equality, ought to be retained by the general government, and to be permitted to no one else, either individual or corporation. The greenbackers, who have insisted that national bank notes should not be permitted, and that all money should be the direct issue of the government, are in the right.

It is a pity that so many greenbackers permit themselves to be used by the silver men, instead of insisting on their own principles. If we want

two millions of notes issued every month, let them be greenbacks, and let the two millions now expended in buying silver be saved. Nothing can be clearer than that the silver notes now in circulation do not derive their value from the silver which is supposed to be corded up in the treasury to redeem them. For they circulate at one hundred cents on the dollar, whereas the silver that is supposed to be lying in the treasury vaults for their redemption is only seventy-two cents' worth. They would circulate just as well as if there were no silver in the treasury, and we might as well sell that silver off or put it to some more sensible use than hoarding it—say, for the construction of long-distance telephone wires for the post office department. And what is true of silver is true of gold. It is the credit of the government that furnishes the real basis for our paper money, not any deposit in government vaults.