THE
G R E E N B A C K
D O L L A R
ITS HISTORY AND WORTH

AWAY WITH BONDS !
Restore the Greenback !

Bounce the Bondholder

BY

BENJAMIN S. HEATH

Chicago, Illinois
1877

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GREENBACK DOLLAR.

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HISTORY of the GREENBACK

Chapter I.
its origin and birth

In 1861, when the resources of the country seemed exhausted, when the last dollar had been expended, when it was found that the whole volume of the national currency was inadequate to meet current expenses, when our imperial cousins across the deep, instead of coming to our aid, had already recognized the belligerency of our foes, and stood, cat-like, ready to pounce upon the fragments of a shattered Republic, E.G. Spaulding and Erastus Corning, of New York, and Samuel Hooper, of Massachusetts, were appointed a sub-committee under the House Committee of Ways and Means to devise some plan of prosecuting the war, perpetuating the Union and paying current expenses. The country was rich in patriotism, men and munitions of war. All that was needed was money, or a medium of exchange, to move the armies and purchase supplies. Under the urgent pressure of necessity the best and ablest thought and talent of the nation were brought into requisition. A happy thought conceived the idea of applying the "nation's wealth to the nation's needs."

The history of bank currency had demonstrated the fact that a medium of exchange could consist of certificates of the nation's indebtedness as well as that of individuals and corporations. And further, that as the Constitution authorized Congress to coin money and regulate the value thereof without specifying the material of which it should be composed or represented upon, a paper legal-tender pledged by the Government to be receivable for all debts and dues both private and public, and in sufficient quantities to serve the country's needs in this hour of its trial, was within the providence of its legislative authority. This idea was at last embodied in a bill known as House bill No. 187, and reported to Congress on the 7th of January, 1862.

Its constitutionality had been approved by the Attorney-General and it met with popular favor, as it was destined to meet the nation's wants. But before it had passed the threshold of legislation it was throttled by that highway robber, the Money Power. This bill was not received, or put in motion, for the benefit of this power. The banks had nothing to sell or exchange for one dollar of the new currency. The Government did not need its services or support. The Government had the authority to issue the new money; the soldiers would hail it with delight, and the farmer, the manufacturer, the ship-builder, and even the office-holder, were ready and willing to exchange their goods and their services for it.

The Banks alone opposed it, while they alone had nothing to furnish the Government in exchange for it. On the 11th of January, only four days after the introduction of the bill, the wolf-howl which had, during that time, echoed from bank to bank, called to Washington a convention of the Money Power, which consisted of Secretary Chase as head, and four delegates from the New York banks, three from Philadelphia and three from Boston.

They saw in the Legal-Tender Bill a scheme which would cut off all future chance for them to rob the people. They saw it would transfer the monopoly of the money from their hands to the control of the people.

In short, they saw the handwriting of their downfall, and the emancipation of labor and production, written on the legal-tender greenback.

E.G. Spaulding, in his Financial History, page 20, thus reports :

Mr. James Gallatin, of New York, made the principal speech against legal tender, and on behalf of himself and the Bank Committees from New York, Boston, and Philadelphia, and members from Boards of Trade associated with them, submitted the following plan for raising money to carry on the war, viz :

1. A tax bill to raise, in the different modes of taxation, $125,000,000, over and above duties on imports.

2. Not to issue any demand Treasury notes, except those authorized at the extra session in July last.

3. Issue $100,000,000 Treasury notes at two years, in sums of five dollars and upwards, to be receivable for public dues to the Government, except duties on imports.

4. A suspension of the sub-Treasury act, so as to allow the banks to become depositories of the Government of all loans, and to check on the banks from time to time as the Government may want money.

5. Issue six per cent. twenty year bonds, to be negotiated by the Secretary of the Treasury, *and without any limitation as to the price he may obtain for them in the market*.

6. That the Secretary of the Treasury be empowered to make temporary loans to the extent of any portion of the funded stock authorized by Congress, *with power to hypothecate such stock, and if such loans are not paid at maturity, to sell the stock hypothecated for the best price that can be obtained*.

As soon as the plan of the delegates from New York, Boston, and Philadelphia became fully known to the country, it was very generally disapproved. The press spoke out plainly against the Secretary being authorized to put United States bonds " on the market without any limitation as to the price he might obtain for them in the market," as proposed by Mr. Gallatin. Members of Congress generally opposed it and numerous letters were received by Mr. Spaulding from bankers, and other prominent citizens, in opposition to any such scheme, but at the same time expressing themselves in favor of the legal tender bill and urging its immediate passage.

The following is a sample of the letters received about this time by Mr. Spaulding :

HON. MOSES H. GRINELL TO MR. SPAULDING .

NEW YORK, January 30, 1862.

My Dear Sir—I thank you for your able speech, and can only say that nine out of twelve persons in this city agree with you. As for G——, and a few egotistical gentlemen that act with him, they should be driven out of Washington, as they only embarrass the Government ; and it seems to me that their policy, if adopted, would soon ruin the Government credit, and break down the country.

Go a direct tax for one hundred and fifty or two hundred millions, and then issue one hundred and fifty millions Treasury notes *legal tender*, and we will go on without any trouble, and the Government credit will be saved from disgrace. There are not eight bank presidents that side with G——. He is an odd fish—has very little influence here. Some action must be had soon, or our country will be in a deplorable financial condition.

Yours truly,
M.H. GRINELL
.

Right here let us inquire what business this class of usurers, who live and fatten upon the misfortunes of nations and individuals, had to dictate to Congress the terms upon which it might save the country ? The money about to be created was for the soldier, the farmer, the mechanic, the merchant, and the manufacturer, and not for the banker.

They would oppose any scheme which deprived them of the opportunity of robbing industry, even at the expense of the nation's existence; for what is a nation to them that deprives them of their unholy sucking of the blood of humanity. They had succeeded in bringing to their aid the Secretary of the Treasury, whom they had seduced by promises of executive succession, through whose influence the original bill was modified by adding the 5.20 bond clause, which finally went to the Committee of the Whole on the 6th day of February, 1862, in the following form :

" *An Act to authorize the issue of United States notes, and for the redemption funding thereof, and for funding the floating debt of the United States.*

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled* : That to meet the necessities of the Treasury of the United States, and to provide a currency receivable for the public dues, the Secretary of the Treasury is hereby authorized to issue, on the credit of the United States, $150,000,000 of United States notes, not bearing interest, payable to bearer at the Treasury of the United States, at Washington or New York, and of such denominations as he may deem expedient, not less than five dollars each. Provided, however, that $50,000,000 of said notes shall be in lieu of the demand Treasury notes authorized to be issued by the Act of July 17, 1861 ; which said demand notes shall be taken up as rapidly as practicable, and the notes herein provided for substituted for them : And provided, further, that the amount of the two kinds of notes together, shall, at no time, exceed the sum of $150,000,000. And such notes, herein authorized, shall be receivable in payment of all taxes, duties, imports, excise, debts and demands of every kind due to the United States, and for all salaries, debts and demands owing by the United States to individuals, corporations and associations within the United States, and shall also be lawful money and a legal tender, in payment of all debts, public and private, within the United States. And any holders of said United States notes, depositing any sum not less than $50, or some multiple of $50, with the Treasurer of the United States, or either of the Assistant Treasurers, shall receive in exchange therefor duplicate certificates of deposit, one of which may be transmitted to the Secretary of the Treasury, who shall thereupon issue to the holder an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of six per centum per annum, payable semi-annually, at the Treasury or Sub-Treasury of the United States, and redeemable at the pleasure of the United States, after twenty years from the date thereof. Provided, that the Secretary of the Treasury shall, upon presentation of said certificates of deposit, issue to the holder thereof, at his option, and instead of the bonds already described, an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of seven per cent. per annum, payable semi-annually, and redeemable at the pleasure of the United States, after five years from the date thereof. And such United States notes shall be received the same as coin, at their par value, in payments for any loans that may be hereafter sold or negotiated by the Secretary of the Treasury, and may be re-issued from time to time, as the exigencies of the public interests shall require. There shall be printed on the back of the United States notes, which may be issued under the provisions of this act, the following words : ' The within is a legal tender in payment of all debts, public and private, and is exchangeable for bonds of the United States, bearing six per centum interest at twenty years, or in seven per cent. bonds at five years.'

§ 2. *And be it further enacted*, That to enable the Secretary of the Treasury to fund the Treasury notes and floating debt of the United States, he is hereby authorized to issue, on the credit of the United States, coupon bonds, or registered bonds, to an amount not exceeding $500,000,000, and redeemable at the pleasure of the Government, after twenty years from date, and bearing interest at the rate of six per centum per annum, payable semi-annually ; and the bonds herein authorized shall be of such denominations, not less than fifty dollars, as may be determined upon by the Secretary of the Treasury ; and the Secretary of the Treasury may dispose of such bonds at any time for lawful money of the United States, or for any of the Treasury notes that have been, or may hereafter be, issued under any former act of Congress, or for United States notes that may be issued under the provisions of this act ; and all stocks, bonds, and other securities of the United States, held by individuals, corporations, or associations, within the United States, shall be exempt from taxation by any State or county.

It will be seen that this bill provided for the issue of legal-tender notes, and also for their redemption. In advocating its passage Mr. Spaulding said :

What, then, is to be done ? The Secretary of the Treasury in his annual report does not recommend the issue of demand Treasury notes, although he points out many advantages that would result to the Government from the issue. He *suggests* two plans : first, the issue of demand Treasury notes ; and second, a National currency, secured by a pledge of United States stocks, to be issued by banks and associations, with proper regulations for their redemption by the banks themselves. On the propriety of the issue of Treasury notes by the Government, to be put in circulation as money, the Secretary says :

" The first of these plans was partially adopted at the last session of Congress, in the provision authorizing the Secretary to issue United States notes, payable in coin, to an amount not exceeding fifty millions of dollars. That provision may be so extended as to reach the average circulation of the country, while a moderate tax, gradually augmented, on bank notes, will relieve the national from the competition of local circulation. It has been already suggested that the substitution of a National for a State currency, upon this plan, would be equivalent to a loan to the Government without interest, except on the fund to be kept in coin, and without expense, except the cost of preparation, issue, and redemption ; while the people would gain the additional advantage of a uniform currency, and relief from a considerable burden in the form of interest on debt."

This is the capital, $16,000,000,000,000 in amount, on which your Treasury notes and bonds rest. This claim of Government, in the hands of Congress, is direct and specific on the banks throughout the United States, including the gold and silver in their vaults ; on commerce ; on all kinds of production and business ; on railroads, steamboats, and their passengers ; on gas companies ; on manufacturing companies of all kinds ; in short, all real and personal estate of every kind is held subject to the payment of the Treasury notes and bonds issued by the Government. Congress is clothed with this mighty power to sustain the nation at this time.

All Governments fix the value of gold and silver, and without the Government stamp, gold and silver would be a simple commodity, like other things having intrinsic value. Some Governments fix the value of coin higher, and some lower, just as each, for itself chooses to determine. Any other metal or thing that should be stamped, and its value regulated by all the Governments of the world, would pass equally well in all commercial transactions as gold and silver, although not intrinsically as valuable. Exchequer bills or Treasury notes whose value is fixed by Government, and stamped as money, would pass as money in the payment of debts within the jurisdiction of the Government fixing such value.

Congress may judge of the necessity in the present exigency. It may decide whether it will authorize the Secretary of the Treasury to issue demand Treasury notes, and make them a legal tender in payment of debts, or whether it will put its six or seven per cent. bonds on the market, at ruinous rates of discount, and raise the money, at any sacrifice the money-lender may require, to meet the pressing demands upon the Treasury. In the one case the Government will be able to pay its debts at fair rates of interest ; in the other, it must go into the streets *shinning* for the means, like an individual in failing circumstances, and sure of being used up in the end by the avarice of those who may exact unreasonable terms. The Government needs and should have, in her present peril, the aid and protection of all patriotic citizens.

But, sir, knowing the power of money, and the disposition there is among men to use it for the acquisition of greater gain, I am unwilling that this Government, with all its immense power and resources ; should be left in the hands of any class of men, bankers or money-lenders, however respectable and patriotic they may be. The Government is much stronger than any of them. Its capital is much greater. It has control of all the bankers' money, and all the brokers' money, and all the property of the thirty millions of people under its jurisdiction. Why, then, should it go into Wall street, State street, Chestnut street, or any other street, begging for money ? Their money is not as secure as Government money. All the gold they possess would not carry on the Government for ninety days. They issue only promises to pay, which, if Congress does its duty, are not half as secure as United States Treasury notes based on adequate taxation upon all the property of the country.

Why, then, go into the streets at all to borrow money ? I am opposed, in our present extremity, to all shifts of this kind. I prefer to assert the power and dignity of the Government, by the issue of its own notes, pledging the faith, the honor, and property of the whole loyal people of the country to maintain their circulation and provide for their redemption.

. . .

The demand notes put in circulation would meet the present exigencies of the Government, in the discharge of its existing liabilities to the army, navy, and contractors, and for supplies, materials, and munitions of war. These notes would find their way into all the channels of trade among the people ; and as they accumulate in the hands of capitalists, they would exchange them for the six per cent. twenty years' bonds.

These circulating notes in the hands of the people would enable them to pay the taxes imposed, and would facilitate all business operations between farmers, mechanics, commercial business men, and banks, and be equally as good as, and in most cases better, than the present irredeemable circulation issued by the banks.

A suspension of specie payment is greatly to be deplored, but it is not a fatal step in an exigency like the present. The British Government and the Bank of England remained under suspension from 1797 to 1821–'2— a period of twenty-five years. During this time England successfully resisted the imperial power of the Emperor Napoleon, and preserved her own imperilled existence. During all this time the people of Great Britain advanced in wealth, population, and resources. Gold is not as valuable as the productions of the farmer and mechanic, for it is not as indispensable as are food and raiment.

We quote from the remarks of Mr. Thaddeus Stevens :

Before the Banks had paid much of the last loan they broke down under it and suspended specie payment. They have continued to pay that loan, not in coin, but in demand notes of the Government ; that has kept them at par, but this last of the loan was paid yesterday, and on the same day the banks refused to receive them.

Without the legal tender clause the notes could not be kept at par. Brokers, bankers, and others would depreciate them. The National Bank scheme recommended by the Secretary might, in ordinary times, be very useful, but while the banks are under suspension it was not easy to see, how it would relieve the Government. They would have the circulation without interest, and at the same time would draw interest on the bonds, and afford no immediate relief. He thought the Government should have the benefit of the circulation of legal tender notes, and did not see how we could get along in any other way.

The proposition from the gentleman from New York (Mr. Roscoe Conkling) authorizes the issuing of seven per cent. bonds, payable in thirty-one years, to be sold ($250,000,000 of it) or exchanged for the currency of the banks of Boston, New York and Philadelphia.

Sir, this proposition seems to me to lack every element of wise legislation. Make a loan payable in irredeemable currency, and pay that in its depreciated condition to our contractors, soldiers and creditors generally ! The banks would issue unlimited amounts of what would become trash, and buy good hard-money bonds of the nation. Was there ever such a temptation to swindle ?

Let us look at the greatest and wisest commercial nation in the world. In 1797 England was struggling for existence against armed Europe. She needed money, as we do now. She found it impossible to borrow. Gold was likely to leave the country. She passed a law prohibiting the Bank of England from paying coin for her notes until six months after the final ratification of peace. That law remained in force till 1823. It is said she did not make those notes a legal tender. She provided that whoever refused to take them for a debt should have no remedy for its collection ; and that a plea of such tender should be a bar to the action. This, I think, is the most stringent legal tender ; yet those notes never depreciated to any great extent."

The vote was taken; the bill passed and went to the Senate, where the great battle was fought over.

Chapter II.
aristocracy vs. democracy

The object of the House was to authorize the Government.

1st To create and issue full legal tender currency, which should be receivable in payment of taxes, duties, imports, excise, debts and demands of every kind due to the United States, and for all salaries, debts and demands owing by the United States to individuals, corporations and associations within the United States, the same to be lawful money and legal tender in payment of all debts public and private, in the United States. In short, MONEY; as much so in every sense as gold and silver coin every where. This Congress did for two reasons :

1st. Money must be ha to carry on the war,, and in such quantities as could not be procured from any other source. It was an absolute necessity, on which hung the success of the efforts then being put forth to perpetuate the Union and save the nation.

2d. Because it had a constitutional right to coin money out of any material it deemed best.

The fifth paragraph of the eighth section of the first article of the Constitution declares that Congress shall have the power "to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures." Let us now see what authority is given by the right to "coin money." The legal-tender clause was opposed on the ground that the legal-tender quality of money must be limited, or restricted to coin, and the latter must necessarily consist of metal.

But, according to the best English lexicographer, the verb "to coin" is defined :

1st. "To stamp and convert into money, as a piece of metal; to mint; in a more general sense, to form by stamping, as to coin a medal."

2d. "To make or fabricate; to invent; to originate; as to coin a word."

The second important feature of the House Bill was the provision it made for the redemption of the legal tenders, or their conversion into 5.20 bonds at the option of the holders. Very serious and determined opposition was not made to the bill in the lower House. The members, fresh from the people and backed up by the patriotism and urgent needs of the country, were not in a mood or condition to be successfully bull-dozed or swerved from the line of duty by the bribes or threats of the Money Power, hence the bill was passed.

The speculators probably reasoned, as Tom Scott did, when told that he ought to scatter large sums of money through the rural districts of Pennsylvania, to influence the conventions, and carry the elections in the interest of the Pennsylvania railroad, he replied : "The legislative will be composed of men, and as they are comparatively few, it will be a d—n sight cheaper to buy them after election than the people before."

On the 10th day of February, 1862, Mr. Fessenden, Chairman of the Committee on Finance, reported the House Bill very materially altered and amended as follows :

First—That the legal tender notes should be receivable for all claims and demands against the United States of every kind whatsoever, "*except for interest on bonds and notes, which shall be paid in coin.*"

Second—That the Secretary might dispose of United States bonds " *at the market value thereof, for coin or Treasury notes.*"

Third—A new section, No. 4, authorizing deposits in the sub-Treasuries at five per cent., for not less than thirty days, to the amount of $25,000,000, for which certificates of deposit might be issued.

The object of this was to enable the Money Power, or money-lender, to deposit with the Secretary any amount of legal tenders, or rather loan the Government its own money at 5 per cent interest to any amount up to $25,000,000, and receive back certificates of deposit, got up in every way, shape or form, like greenback money, in 5, 10, 20 and 50-dollar bills, which they could use in business, or re-loan for usury, the same as money.

An additional section providing that all duties on imports and proceeds of the sale of public lands, etc., should be set apart to pay (not back-pay and bounty for the widows and orphans of deceased soldiers, or pensions to the disabled) coin interest on the bonds, at 1 per cent for a sinking fund. It was very obvious to the opponents of these amendments that the effect would be to weaken the legal tenders. The jeopardized interests of the country and the welfare of every productive and legitimate operation in the nation demanded that they go forth on their mission, clothed with all the power and strength Congress was able to bestow upon them.

But their power was what the Shylock dreaded. Their strength and independence would preclude the possibility of their being monopolized by the money ring.

A clean, untarnished, full-fledged legal tender, created and issued by the Government, would remove entirely the necessity for banks, and destroy the office and the profits of the banker. No, no, no ! Alarm and dismay had seized the Shylocks, and in the House Bill they saw that, while it would save the country, it would ruin them, so, acting upon the first law of nature, they determined at all hazards to save themselves, though the flag of the nation trailed in the dust, and the Goddess of Liberty sweat great drops of blood in her struggles to save a shattered Republic from the grasp of foreign despots. It was the poor Congressman's harvest when $8,000 a year would make a millionaire in six months.

“Except for duties on imports and interest on the public debt,” was advocated by Shylocks' tools as follows :

We shall be obliged to go into the foreign market to raise money to prosecute the war, and unless we provide to pay the interest on all loans in a currency recognized by foreign nations, we cannot do it. Therefore, to create these notes full legal tenders would be virtually to tie our hands and cut off all hope and chance of borrowing a dollar abroad. To provide for meeting this coin interest, all that is necessary is to lop off another leg of the legal tenders and ‘except duties on imports.’

This EXCEPT-ion will supply an ample amount of gold, to meet all interest demands and perpetuate the credit of the nation.

It was argued that but a small amount of gold would be required, as that which came from customs would be immediately paid out for interest, and a small amount kept in the circuit would meet all the coin demands of the country. How falsely they argued will be shown in a subsequent chapter. Mr. Fessenden, as Chairman of the Senate Committee on Finance, was the most prominent advocate of these amendments. In the course of the debate he said :

According to our amendment, the Government will be obliged to provide itself with coin for the payment of the interest.

The Committee have recommended that we go further, and that we provide a specific fund, in order to accomplish that purpose, and set it aside for that object. It was proposed in the Committee—and it struck me favorably at first—to set aside, specifically, the public duties, by providing that the duties on imports should be paid in coin ; but on consideration, it was deemed by the Committee that that would be hardly fair. The result would be to make a distinction between different classes of the community, and to impose a very heavy burden upon those who are engaged in trade, and who would be called upon to pay duties. If we provide a paper currency, the natural and inevitable effect of it is, that coin increases in price.

Mr. Fessenden's children will live to see the day when his loyalty to the Republic, at the time he defended those amendments, when compared with his personal interests in the measure, will be questioned.

In reference to this matter John G. Drew says :

The dogmatic assurance, that if we provide paper currency, the natural and inevitable effect of it is, that coin increases in price, is worthy of Bunsby, and its legal acumen could not be surpassed by Dogberry, as he must have known that even with the fearful inflation of the old bank bills and credits to 100 per cent circulation of basis, coin was at par.

If, before he turned teacher he had condescended to be a learner, he would have known that the analysis of English redemptions, as per Sir John

Lubbock and Prof. Bonamy Price, is in gold, per $100, 50 cents; in paper money, $2.50; in checks and other things based on discounts more or less remote, $97—total, $100.

A few years after this utterance the Republican statesmen of France, knowing the facts of our history just quoted, and, perhaps, warned by the deadly results of our almost fatal empiricism, when their nation had just been whipped in war, and forced to pay the costs on both sides : the enemy holding possession of her territory as collateral until the coin liquidation of this claim—with her chief city, whose population is equal to that of our Empire State, in the occupancy of insurgents, boldly issued a full legal tender currency, and with it so stimulated production that gold appreciated, as compared with legal-tender, at no time over 2½ per cent, and but a few days at that.

Her statesmen were so intelligent, that not only did they increase the volume of the nation's currency to several times its former amount, but they took especial pains to secure its full introduction, and so stimulated industries that the ballance of trade became immediately largely in her favor, and in a short time specie redemption was practicable.

We submit that the position of France was infinitely more critical than ours; that her productive resources were in every way inferior to our, and the sole reason why she emerged from her great calamities, so comparatively harmless as contrasted with ours, was the ability and conscientious devotion to duty of her legislators.

Mr. Fessenden, after arguing with great wisdom that the war would be ended at the close of 1862, but conceding, for argument, that it might continue until the end of 1863, when he says, "It must end unquestionably," he proceeds in his special argument in favor of paying the interest in gold—thus : (*Congressional Globe*, page 765)

We shall have a heavy capital debt, but all that is necessary is to secure the payment of the interest. A public creditor looks not to the principal. He wants to know what his interest is to be. The example of England proves this abundantly.

Nobody supposes that England will ever pay her debts; nobody has supposed it for years; and yet her stocks are always sound, and are sought for even at a very low rate of interest, on account of their security.

They sell in the market at about par, varying very slightly, according to circumstances; and yet nobody expects the principal to be paid.

All, therefore, we have to calculate on, all we have to provide for, is to satisfy the public creditor, either at home or abroad, that when we put out our obligations for a series of years, he may be certain that the interest will be paid, and that the result is equally sure.

We regret that we cannot lay the full discussion of this most important subject before our readers. They would see that gold payment of the interest only was adverted to, as it was the only question before the House, the bill itself making principal and interest payable in greenbacks, but the Senate insisting that such greenback payment should be waived as to interest, and interest only, making that payable in gold.

It was Mr. Fessenden's position in good society that his previous apparent loyalty had been transcendent, as, should such suggestion as the above extract contains come from less distinguished and consecrated lips, the owner of the said lips might have been placed in a very unpleasant limbo.

It was not complimentary to common sense or common honesty of the American people, or even to the American Congress, that he should in substance say :

My good fellows—agree to this; sign this IOU, agreeing to pay 6 per cent interest for a limited number of years, premium and exemption from taxes, say 4 per cent (in all 10 per cent), and we wont say anything about the principal—John Bull never intended to pay; why should you ?

If Mr. Fessenden then ans there did intend to counsel what his words clearly indicated, large, temporary coin interest, and ultimate repudiation of the principal of the National debt, in defiance of the stipulation of the bonds, the charge of felonious intentions against those plain people, who claim that said bonds should be paid, principal and interest, according to law, seem ridiculously absurd from those who not only did not object to Mr. Fessenden's felonious suggestions, but soon called him to the higher position of Secretary of the Treasury.

The original bill had few supporters in the Senate. Senator Wilson was that it was doomed and made but little effort to save it. He left on record, however, his opinion of it. He said (*Congressional Globe*, page 789, second session XXXVIIth Congress): "I look upon this contest as a contest between the curbside brokers, the Jew brokers, and the money changers, and the men who speculate in stocks on one side, and the productive toiling men on the other." Yes it was a struggle for life on the part of the Shylocks to maintain their ungodly ascendency over the labor and liberties of the toiling masses; and while the latter were bleeding on the battle field, starving and dying in unfriendly hospitals and prisons, or toiling in the far-off harvest fields to produce the bread of life for the nation's defenders, treason in the very temple of Liberty was plotting their degradation, and laying deep and broad the foundation of a moneyed aristocracy, which should, eventually, as effectually rule over and enslave them, as ever did the Southern master over the dusky sons of the rice field and the cotton plantation. A groan from Wilson is all that is recorded against them, and by a vote of thirty to seven the amendments were adopted, and the bill, mutilated and loaded with shackles, was kicked back to the House on the 14th of February.

Chapter III.
ARISTOCRACY WINS

The House bill, authorizing the full legal tender, "receivable in payment of all taxes, duties, imports, excise, debts and demands of every kind due to the United States, and for all salaries, debts and demands owing by the United States to individuals, corporations and associations within the United States, and shall also be lawful money and a legal tender, in payment of all debts, public and private, within the United States," was amended by the Senate, as we have heretofore explained.

Now, right here, let us call up the men who were to receive this money, and that other class who refused to take it, and compelled the Senate to amend the Bill so as to give them gold instead of greenbacks :

the people

> "Our country is at stake. We are ready and willing to turn out 2,000,000 strong.
> "We will give our lives and property.
> "We will make ourselves targets to be shot at; our wives, widows, and our children orphans to save, protect and perpetuate the glorious Republic our fathers bequeathed to us.
> "We will grow and supply food for the soldiers.
> "We will give you our best horses.
> "We will set mills and factories in operation.
> "We will do all that lies within our power to furnish everything needed—and will gladly receive in consideration your full legal tenders, and you need not call on a banker or a foreigner for a dollar."

the money power

"Look here John Sherman, we see by this operation we are going to be thrown out of our business.

"You are creating a kind of money and inaugurating a system that is going to send us up the spout.

"We design to gobble up this legal-tender money and convert it into a permanent investment of bonds.

"You just make the interest on those bonds payable in gold and change this bill so that you can get the gold for us by refusing to take the greenbacks for duties on imports, and then we are all right.

“There’s millions in it, you just do that now while you are about it and those poor devils who are fighting, and those ignorant, unthinking farmers will never know the difference.

“We can afford to pay you liberally and make you a millionaire on your small salary.”

and so it was changed

The amendments stripped the proposed money of its insignia of sovereignty.

It degraded it to a subordinate.

In the payment of duties on imports to its maker, its own father refused to recognize it as legitimate.

It might go to pay for mules, horses, arny supplies, salaries, and pay soldiers for being killed, and to remunerate widows and orphans for the loss of husbands and fathers, but for interest to the noble, patriotic self-sacrificing Bondholder, who had paid from 35 to 60 cents on the dollar for the bonds in which this legal tender was to be redeemed—they should never be insulted so much as to be asked to receive anything but gold and silver.

On the 18th of February Mr. Stevens reported the bill as amended by the Senate, and said :

“I have no purpose of considering the bill at this time. I desire that it shall be referred to the Committee of the Whole, and be made the special order for to-morrow at one o’clock. I hope gentlemen of the House will read the amendments. They are very important, and, in my judgment, very pernicious, but I hope the House will examine them.”

On Wednesday the 19th, Mr. Spaulding opened the debate in opposition to some of the amendments in the following language :

Mr. Chairman—I desire especially to oppose the amendments of the Senate which require the interest on bonds and notes to be paid *in coin* semi-annually, and which authorizes the Secretary of the Treasury to sell six per cent. bonds at the market price for coin to pay the interest.

The Treasury note bill, as reported first from the Committee of Ways and Means as a necessary war measure, was simple and perspicuous in its terms, and easily understood. It was so plain that everybody could understand that it authorized the issue of $150,000,000 of legal tender demand notes, to circulate as a national currency among the people in all parts of the United States, and that they might, at any time, be funded in six per cent. twenty years' bonds.

I am opposed to all those amendments of the Senate which make unjust discriminations between the creditors of the Government. A soldier or sailor who performs service in the army or navy is a creditor of the Government. The man who sells food, clothing, and the material of war, for the use of the army and navy is a creditor of the Government. The capitalist who holds your seven and three-tenths Treasury notes, or your six per cent. coupon bonds is a creditor of the Government. All are creditors of the Government on an equal footing, *and all are equally entitled to their pay in gold and silver.*

I am opposed to all those amendments of the Senate which discriminate in favor of the holders of bonds and notes by compelling the Government to go into the streets every six months to sell bonds at the 'market price,' to purchase gold and silver in order to pay the interest 'in coin' to the capitalists who now hold United States stocks and Treasury notes heretofore issued, or that may hold bonds and notes hereafter to be issued ; while all other persons in the United States (including the Army and Navy and all who supply them food and clothing,) are compelled to receive legal tender Treasury notes in payment of demands due them from the Government.

Why make this discrimination ? Who asks to have one class of creditors placed on a better footing than another class ? Do the people of New England, the Middle States, or the people of the West and Northwest, or anywhere else in the rural districts, ask to have any such discrimination made in their favor ? Does the soldier, the farmer, the mechanic, or the merchant ask to have any such discrimination made in his favor ? No, sir ; no such unjust preference is asked for by this class of men. They ask for the legal tender note bill pure and simple. They ask for a national currency which shall be of equal value in all parts of the country. They want a currency that shall pass from hand to hand among all the people in every State, county, city, town and village in the United States. They want a currency secured by adequate taxation upon the whole property of the country, which will pay the soldier, the farmer, the mechanic, and the banker alike for all debt due. They ask that the Government shall stand upon its own responsibility, its own rights, and exert its vast powers, preserve its own credit, and carry us safely through this gigantic rebellion, in the shortest time, and with the least possible sacrifice. *They intend to foot all the bills, and ultimately pay the whole amount, principal and interest, in gold and silver*.

Who, then, are they that ask to have a preference given to them over other creditors of the Government ? Sir, it is a very respectable class of gentlemen, but a class of men who are very sharp in all money transactions. They are not generally among the producing classes—not among those who, by their labor and skill, make the wealth of the country ; but a class of men that have *accumulated* wealth—men who are willing to lend money to the Government if you will make the security beyond all question, give them a high rate of interest, and make it payable *in coin*. Yes, sir, the men who are asking these extravagant terms, who want to be preferred creditors, are perfectly willing to lend money to the Government in her present embarrassment, if you will only make them perfectly secure, give them extra interest, and put your bonds on the market at the 'market price,' to purchase gold and silver to pay them interest every six months. Yes, sir, entirely willing to loan money on these terms ! Safe, no hazard, secure, and the interest payable 'in coin'! Who would not be willing to loan money on such terms ? Sir, the legal tender Treasury note bill was intended to avoid all such financiering and protect the Government and people, who pay the taxes, from all such hard bargains. It was intended as a shield in the hands of the patriotic people of the country against all forced sales of bonds, and all extravagant rates of interest.

The people in the country who hold seven and three-tenths Treasury notes are patriotic enough, while the war lasts, to receive their interest in any money that will pass currently at the banks and among the people. Money with them is only valuable for its uses. Legal tender Treasury notes can be used for all business purposes, without compelling the Government to sell its bonds at fifteen or twenty per cent. discount to procure coin when it is entirely unnecessary.

Mr. Samuel Hooper remarked :

I am opposed to this amendment of the Senate which requires the interest on Government notes and bonds to be absolutely paid in coin, *because its effect will be to depreciate these notes as compared with coin, by declaring them in advance to be so depreciated*. It creates a necessity for the Government to obtain a large amount of coin by purchase, if it is not received in payment of taxes and loans, which hold out an inducement to speculate on the necessity of the Government, by collecting and hoarding the coin against the time that will be required by the Government to pay its interest ; and because it is an unnecessary inconvenience to require the whole amount of the interest to be paid in coin, when only the small amount is necessary that is to be remitted to foreign holders of bonds, which could easily be obtained at small cost, if the effect of the issue of the Government notes should be what the friends of this bill expect. * * * * * *

If the opponents of this bill have proved anything, they have proved too much in reference to the question now before the House, which is to make a distinction in favor of the holders of Government securities, and pay what may be due to them in coined money, while all other creditors of the Government shall be paid in what they have denounced to the country from the high places they occupy here, as the meanest paper trash."

The closing remarks on the Bill were made by Mr. Stevens, Chairman of the House Committee of Ways and Means.

We extract as follows :

“ Mr. Speaker—I have a very few words to say. I approach the subject with more depression of spirits than I ever before approached any question. No personal motive or feeling influences me. I hope not, at least. I have a melancholy foreboding that we are about to consummate a cunningly devised scheme, which will carry great injury and great loss to all classes of the people throughout this Union, except one. With my colleague, I believe that no act of legislation of this Government was ever hailed with as much delight throughout the whole length and breadth of this Union, by every class of people, without any exception, as the bill which we passed and sent to the Senate. Congratulations from all classes—merchants, traders, manufacturers, mechanics and laborers—poured in upon us from all quarters. The Boards of Trade from Boston, New York, Philadelphia, Cincinnati, Louisville, St. Louis, Chicago and Milwaukee, approved its provisions, and urged its passage as it was.

I have a dispatch from the Chamber of Commerce of Cincinnati, sent to the Secretary of the Treasury, and by him to me, urging the speedy passage of the bill as it passed the House. It is true *there was a doleful sound came up from the caverns of bullion brokers, and from the saloons of the associated banks*. Their cashiers and agents were soon on the ground, and persuaded the Senate, with but little deliberation, to mangle and destroy what it had cost the House months to digest, consider and pass. They fell upon the bill in hot haste, and so disfigured and deformed it, that its very father would not know it. [Laughter.] Instead of being a beneficent and invigorating measure ; it is now positively mischievous. It has all the bad qualities which its enemies charged on the original bill, and none of its benefits. *It now creates money, and by its very terms declares it a depreciated currency. It makes two classes of money—one for the banks and brokers, and another for the people*. It discriminates between the rights of different classes of creditors, allowing the rich capitalist to demand gold, and compelling the ordinary lender of money on individual security to receive notes which the Government had purposely discredited.

. . . . .

But now comes the main clause. All classes of people *shall* take these legal tender notes at par for every article of trade or contract, unless they have money enough to buy United States bonds, and then they shall be paid in gold. Who is that favored class ? The banks and brokers, and nobody else. They have already $250,000,000 of State debt, and their commissioners would soon take all the rest that might be issued.

But how is this gold to be raised ? The duties and public lands are to be paid for in United States notes, and they or bonds are to be put up at auction to get coin for these very brokers, who would furnish the coin to pay themselves, by getting twenty per cent. discount on the notes thus bought.

I have proposed an amendment to the Senate amendment upon the principle of legitimate parliamentary rules, that you may make as palatable as you can an amendment which you do not like, before the vote is taken upon it. My amendment is offered for the purpose of curing a little the evils and hardships of the original amendment of the Senate. And though it may be adopted, I shall vote against the whole as amended. My amendment is to except from the operation of the legal tender clause *the officers and soldiers of the army and navy, and those who supply them with provisions*, and thus put them upon the same footing with the Government creditors who hold their bonds. I hope they will not be thought less meritorious than the money-changers. I trust it will be adopted as an amendment to the Senate amendment, so that if this pernicious system is to be adopted, if the beauty of the original bill is to be entirely impaired, those who are fighting our battles, and the widows and children of those who are lying in their graves in every part of the country, killed in defense of the Government, may be placed upon no worse footing than those who hold the bonds of the Government and the coin of the country."

A Conference Committee on the part of the House was appointed to meet a similar committee from the Senate, and the Bill was passed and approved by the President the same day. The following is a copy of the Bill as finally passed, omitting such matters as is irrelevant to the subject :

“ *An Act to authorize the issue of United States notes, and for the redemption or funding thereof, and for funding the floating debt of the United States.*”

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Secretary of the Treasury is hereby authorized to issue on the credit of the United States one hundred and fifty millions of dollars of United States notes, not bearing interest, payable to bearer, at the Treasury of the United States, and of such denominations as he may deem expedient, not less than five dollars each. Provided, however, that fifty millions of said notes shall be in lieu of the demand Treasury notes authorized to be issued by the act of July 17th, 1861, which said demand notes shall be taken up as rapidly as practicable, and the notes herein provided far substituted for them ; and *Provided further*, That the amount of the two kinds of notes together shall at no time exceed the sum of one hundred and fifty millions of dollars ; and such notes herein authorized shall be receivable in payment of all taxes, internal duties, excises, debts and demands of every kind due to the United States, except duties on imports, and of all claims and demands against the United States of every kind whatsoever, except for interest upon bonds and notes, which shall be paid in coin ; and shall also be lawful money and a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest as aforesaid ; and any holder of said United States notes depositing any sum not less than fifty dollars, or some multiple of fifty dollars, with the Treasurer of the United States, or either of the Assistant Treasurers, shall receive in exchange therefor duplicate certificates of deposit, one of which may be transmitted to the Secretary of the Treasury, who shall thereupon issue to the holder an equal amount of bonds of the United States, coupon or registered, as may by said holder be desired, bearing interest at the rate of six per centum per annum, payable semi-annually, and redeemable at the pleasure of the United States after five years, and payable twenty years from the date thereof ; and such United States notes shall be received the same as coin, at their par value, in payment for any loans that may be hereafter sold or negotiated by the Secretary of the Treasury, and may be re-issued from time to time as the exigencies of the public interests shall require.

§ 2. *And be it further enacted*, That to enable the Secretary of the Treasury to fund the Treasury notes and floating debt of the United States, he is hereby authorized to issue on the credit of the United States coupon bonds or registered bonds, to an amount not exceeding five hundred million dollars, and redeemable at the pleasure of the United States after five years, and payable twenty years from date, and bearing interest at the rate of six per centum per annum, payable semi-annually ; and the bonds herein authorized shall be of such denomination, not less than fifty dollars, as may be determined upon by the Secretary of the Treasury ; and the Secretary of the Treasury may dispose of such bonds at any time at the market value thereof, for lawful money, the coin of the United States, or for any of the Treasury notes that have been, or may hereafter be, issued under any former act of Congress, or for the United States notes that may be issued under the provisions of this act ; and all stocks, bonds, and other securities of the United States held by individuals, corporations or associations within the United States, shall be exempt from taxation by or under State authority.

. . . . .

§ 4. *And be it further enacted*, That the Secretary of the Treasury may receive from any person or persons, or any corporation, United State notes on deposit for not less than thirty days, in sums of not less than one hundred dollars, with any of the assistant treasurers or designates depositories of the United States authorized by the Secretary of the Treasury to receive them, who shall issue therefor certificates of deposit, made in such form as the Secretary of the Treasury shall prescribe, and said certificates of deposit shall bear interest at the rate of five per centum per annum ; and any amount of United States notes so deposited may be withdrawn from deposit at anytime after ten days' notice on the return of said certificates ; *Provided*, that the interest on all such deposits shall cease and determine at the pleasure of the Secretary of the Treasury ; and *Provided further*, that the aggregate of such deposits shall at no time exceed the amount of twenty-five million dollars.

Chapter IV.
WHAT THE CRIPPLED GREENBACK DID

Thus the "Rag Baby" was born and started on its mission to fight the battles of the Union.

In its birth it was maimed and crippled by the Money Power, and with one leg and one arm lopped off, it was sent out by that weak and bribed Senate of twnty-four members to assist the soldier, the farmer, the mechanic, the manufacturer and the laborer to carry on the most gigantic civil war the world ever saw.

Looking from our present standpoint we can see nothing but treason and bribery, or an unpardonable degree of ignorance and stupidity on the part of the occupants of these seats once filled by statesmen.

Berkey [William, *The Money Question*, 1876] says of them : "That the Senate was controlled, in its action in regard to the legal tender bill, by improper influences is not a matter of conjecture, but of history."

In his speech at Philadelphia, January 15, 1876, Judge Kelley says : " I remember the grand 'Old Commoner' (Thaddeus Stevens) with his hat in his hand and his cane under his arm, when he returned to the House after the final conference, and shedding bitter tears over the result. 'Yes,' said he, 'we have had to yield ; the Senate was stubborn. We did not yield until we found *that the country must be lost or the banks be gratified*, and we have sought to save the country in spite of the cupidity of its wealthier citizens'."

Thaddeaus Stevens knew those Boston, New York and Philadelphia bankers had bought up the Senate. He knew those bankers' avarice, and that Senate's greed for money outweighed their loyalty or their love of country. He knew that they would see the republic shattered into fragments, the Government crippled and hand-cuffed and our soldiers unpaid and starving rather than yield their grasp upon the money monopoly of the nation.

The money kings of Europe, who had made their billions from the war debts of the old country, looked to the fertile soil of American enterprise for a harvest.

We had no bonds in the market for them to set on, and absorb our increasing wealth.

They looked with eager eyes to our growing prosperity, and licked their bloody chops to devour our increase.

War was their only hope. War they must have. War would necessitate money — money would demand bonds — bonds would draw interest, even gold interest, with which they could fill their European coffers; and interest would provide a sickle with which they could harvest the annual crops of American industry.

They had planned for years. England had commissioned and fed her Thompsons and other emissaries to scatter the fire-brand of dissension among our people.

Sectional strife, hatred and animosity were created, engendered and encouraged. Slavery was made the bone of contention, and both, Northern and Southern ears were rubbed by the emissaries of the gold king, until both factions were wrought to a pitch of wild frenzy.

The East began tu see slavery with new eyes. Its enormous wickedness and ungodly form were magnified with every new rub of the ears.

The South was goaded and lashed into fury at the growing anti-slavery sentiment of the East.

When their ears had been rubbed up to battle pitch, but feared their weakness, tho money king's agent, August Belmont, planted himself at the head of the Democratic party, and pledged slavery, a divided North and a Democratic alliance.

In the North the Goddess of Liberty and John Brown were carried to the front to intensify the patriotism of the soldiers of Mammon.

The fires of Revolution were kindled afresh upon the decaying altars of liberty.

"Star Spangled Banner" and "hail Columbia" were set to new voices to fire the patriotic blood of sons and sires.

Mothers and wives caught up the refrain and offered up their husbands and sons with the zeal and devotion of Hindoo mothers in yielding their offspring to the crocodiles of the Ganges.

The best blood and treasure of the South were yielded up.

Planters and farmers were badgered into the support of the war through fear of losing their chattels.

Laboring men fought "to protect their rights," and even slaves doubled their chains for fear of being captured and eaten up by abolition gorillas. Billions of treasure and hundreds of thousands of lives were sacrificed, and this fair land, the pride and boast of its people, desolated and strewn with wrecks of homes and bones of the slain; whose dirge and buzzards and carrion crows of desolation croaked and sang as American liberty and prosperity yielded their sceptre and crown to the conquering Bondholder at Appomattox.

When the smoke of battle shall have cleared away — when prejudice shall have yielded to reason and judgment, when the trophies of victory shall have been compared with sacrifices or the conflict, when the gilded honors of national triumph shall be placed in the balance with the woes, the sorrows, the anguish and the heart-wounds that cluster around a million graves and extend to every fireside in the land — when careful, dispassionate and unbiased investigation shall prove that the yoke which the slave king had placed upon 4,000,000 blacks has been transferred by the money king to the necks of 40,000,000 of whites, people will discover that the battles of the Rebellion were not fought in the interest of humanity or to perpetuate the will of the people.

That the freedom of the black was not the result of the benevolent, liberty-loving impulses of the liberator, but a strategy of war to weaken and disarm the enemy.

By the aid of the crippled greenback the North succeeded, and so did the money king. The North succeeded on the battle field after the battle had been purposely prolonged to satiate the bond-thirst of the Shylocks.

But to return to the greenback. Notwithstanding the mutilated form in which they went out of the Treasury Department, they performed a marvelous work.

The producing forces of the nation were set to work, and there was no longer any difficulty in rendering the resources of the people available to the Government.

Of this period, and the immediate effects of the greenback, Judge Kelley thus pictures the change which followed the passage of this bill. His picture will apply to what we might again realize by a full legal tender, and a restoration of a sufficient volume of currency to meet the demands of industry :

But the patriots (Lincoln and Stevens) to whom I have referred had studied the Constitution of the United States.

They knew that it imposed upon them the duty of saving the nation.

They knew that money is the sinew of war and that it must be had.

They knew that the Constitution authorized the coinage of the public credit into money.

They smote the rock of public credit, and power and prosperity gushed forth.

They called into existence the Rag Baby !

They said to every man that would work, 'Here is your wages; this Rag Baby will pay you.' They said to the ship owners, 'Unfurl your rotting sails and open your hatchway; we have brought you grain from the farm; carry it abroad to buy us clothing and arms, for our industries have been stricken and we cannot provide clothing or arms for the army that is to sustain The Union.'

The Rag Baby showered greenbacks upon them, and the ships spread their sails and carried rich cargoes to foreign lands, which were exchanged for clothing, arms and munitions of war.

Industry was rife throughout the land.

The farmer who had been without an adequate remunerative market for years were getting good prices for their grain — were paying their local merchant, who in turn paid his to those of the great cities.

A marvelous child was the Rag Baby !

It lighted the fires in every forge and furnace in the country.

It hired ships and bought others.

It blockaded the whole Southern coast.

It rallied an army of 500,000 men.

We heard ringing through the streets the shout of well paid and well fed and clad soldiers, 'We are coming, Father Abraham, three hundred thousand more !'

The Rag Baby was welcomed by every Commissary, Quartermaster and Paymaster.

It furnished transportation.

It met all demands.

The American people were prosperous as they never were before.
I name it not the 'Rag Baby.' I take the derisive term from the door of the Presidential mansion.

Four hundred million dollars of this money was authorized to be issued.

The war was prolonged and more was required. The expenses of the Government had grown to near $3,000,000 per day.

By the fourth section of the act the Treasury was authorized to receive deposits in the Sub-Treasury to the amount of $25,000,000 which was subsequently, by the act of January 30, 1864, increased to $150,000,000. On these deposits the Secretary issued certificates printed in the form of money, which were paid out and scattered through the country as money, having the same legal-tender qualities as greenbacks.

By act of March 1, 1862, in addition to the greenbacks and certificates of deposit, certificates of indebtedness, got up in the form of money and of the same legal-tender qualities, were authorized to be issued to public creditors. By act of March 17, 1862, this power was enlarged, so as to embrace checks drawn in favor of creditors by disbursing officers. All these certificates were issued in the form of bank notes or greenback notes and circulated as money.

The amount of these certificates of indebtedness in circulation November, 1864, was $238,593,000.

On the 8th of January, 1863, the Committee of Ways and Means reported another bill entitled, "A bill to provide ways and means for the support of the Government," afterwards known as the $900,000,000 loan act. On January 17, the Secretary was authorized to issue $100,000,000 legal-tender Treasury notes, to be covered by the bill then pending ($900,000,000 loan act).

On the 26th of January, 1863, the bill was passed.

On the 13th of February, 1863, the bill passed the Senate and was approved by the President March 3.

This bill authorized the issue of $900,000,000 of greenbacks.

Chapter V.
MORE GREENBACKS WANTED

Under the act of July 17, 1861, and February 12, 1862, $60,000,000 "demand notes" had been issued, which by the act of March 17, 1862, were declared lawful money and legal tender. This simple declaration, requiring only six words in the act, made these notes equal to gold, and caused them to go up and down with gold, so that on July 11, 1864, a $10 bill of this greenback issue was worth $28.55 of the mutilated greenback money made for the farmer and the soldier.

Under the Legal-Tender Act of February 25, 1862, $150,000,000 of mutilated greenbacks were issued.

Act of July 11, 1862 authorized the Secretary of the Treasury to issue $150,000,000 more.

Joint resolution, January 17, 1863, authorized a further issue of $100,000,000; making a total up to this time of $460,000,000.

In addition to the above amount of non-interest-bearing greenbacks there had been issued, as we have before stated, other kinds of money, such as "certificates of indebtedness," "certificates of deposit," "temporary loan certificates," "Treasury notes, payable in two years," "7.30 three years' notes," "compound interest notes," "3 per cent certificates," etc.—amounting in all to over $600,000,000 exclusive of demand and legal-tender greenbacks. All of these different descriptions of indebtedness were issued in the form and character of money, passed and performed the functions of money, and possessed the value and purchasing power of the regular greenback.

So great was the expense of the war, and so meager were the revenues of the Government compared with the vast outlay, that more money must be had. Up to this time (1862), notwithstanding the Secretary had authority to issue $500,000,000 of the 5.20 bonds on which to raise money, he had not put a dollar on the market, and a forced loan became necessary to meet current and accruing expenses. Early in the session Thaddeus

Stevens introduced a bill "to provide means to defray the expenses of the Government;" which he says "produced a howl among the money-changers as hideous as that sent up by their Jewish cousins when they were kicked out of the Temple." This bill was similar to the first Legal-Tender Act that passed by the House before it was mangled and mutilated by the Senate. By this bill Mr. Stevens hoped to bring the Government back to the full legal-tender money system. He advocated it with all the power of his great eloquence and wisdom. In his speech (Dec. 23, 1862) he pointed out the dangers of the course the Government was pursuing under the guidance of the Money Power, and closed with this prophetic warning :

"But I ought perhaps to say, before I close, to my country banking friends that they need not be alarmed. There is no great prospect that we shall return to the system I have indicated, nor do much to protect the people from their own eager speculations. When, a few years hence, the people shall have been brought to general bankruptcy by their unregulated enterprise, I shall have the satisfaction to know that I attempted to prevent it."

The following is a synopsis of the bill as it finally became law :

1. The first section authorizes a loan of $300,000,000 for the then current year, and $600,000,000 for the next fiscal year.

That the general reader may understand what is meant by a loan of this vast amount of money, we will state that the design of the bill was to make what is called a "forced loan;" that is, the Government intends to pay its debts and current expenses by issuing promises to pay at some future time, and by the bill it promised to pay the holders of these promises interest-bearing bonds.

Now, as it had been proved that the full legal tenders of 1861, which were not redeemable in bonds, were equal in value to gold, what was the use in promising to redeem the issue under this bill in an interest-bearing debt ? The Government wanted money to pay the soldiers, and to purchase horses, mules, cannon and other munitions of war of its own citizens.

These soldiers and producers asked not that the legal tender should be redeemed in bonds, or any other specific thing. They took them cheerfully in exchange for their labor and products, not knowing or caring a farthing whether the money-lenders could convert them into bonds or not. But so it was; a Government that could command millions of brave soldiers, that possessed wealth and resources boundless and without a parallel, was not able to cope with the Shylocks of Boston, New York and Philadelphia.

If the Government had turned its guns upon these bonds of hell and demolished them, and then branded, with a red-hot iron, the word "traitor" on the forehead of every Senator who voted to disgrace the credit of the Government and rob the people, the war would have been of short duration and no burdensome debt would have followed.

The first section of this bill also authorized the issue of an equal amount ($900,000,000) of bonds to cover the loan, or issue, at not less than ten nor more than forty years, and not exceeding 6 per cent interest in coin.

2. The second section of the same act authorized the Secretary of the Treasury to issue $400,000,000 of Treasury notes, bearing interest not exceeding 6 per cent, payable in lawful money, which notes might be made a legal tender at face value.

3. By the third section $150,000,000 of ordinary non-interest-bearing legal-tender notes might be issued.

Will some wise man tell our readers why the $400,000,000 of legal tenders authorized to be issued under this act were made to draw interest ?

Who was the instigator of this robbery, and into whose pockets did the interest go ?

For whom were these notes created ?

What was the consideration received by the Government requiring interest ?

The Government wanted men, and the productions of labor.

These notes were created to pay for these things.

They passed current and at par, not because they bore interest or were convertible into bonds, but because the Government had said they were money, that they were legal tender and should be receivable for debts, both public and private, with two exceptions.

Now for whom were the interest and the bonds provided ?

Not for one single creditor of the Government.

Not for the soldier.

Not for the army clerks.

Not for the farmer who supplied mules and oats.

Not for the manufacturer who furnished wagons, muskets, powder, blankets and knapsacks.

Not for the widows and orphans who sacrificed their husbands and fathers that the Government might live.

Not for a single soul who aided the Government in its struggle for life. Who then ?

The Shylocks and money-changers alone were to be benefited.

The Government consented to disgrace itself and burden its saviors with an unbearable load of interest and taxation, that a class of men who never handled a musket, nor earned an honest dollar in all their lives, might live in untaxed luxury on the sweat of honest toil.

This was the last of legal-tender acts. Under the various acts from July 17, 1861, to March 3, 1863, the following amounts and kinds of money were issued :

Treasury notes (Act March 2, 1861)	$ 20,153,455
Demand notes (Acts July 17, Feb. 12, 1862)..........	$ 60,000,000
Non-interest-bearing legal-tender notes (Act Feb. 25, 1862)	$400,000,000
Treasury notes, 7.30s (Act March 3, 1863)..........	$806,900,750
Temporary loans, one year certificates	$259,168,327
Treasury notes payable in two years	$153,471,450
Compound interest notes	$193,756,080
Three per cent certificates	$ 52,120,000
Fractional currency	$ 45,961,295
Total	$ 1,991,531,357

This amount was issued directly by the Government, and was exclusive of State bank circulation, which was, in 1863, according to Fawcett, $238,671,210.

The largest amount of circulation outstanding at any one time was Sept. 1, 1865, and was as follows :

United States notes	$ 433,160,569
Fractional currency	$ 26,344,742
National bank notes	$ 185,000,000
Compound interest legal tenders	$ 217,024,160
Temporary loan certificates	$ 107,148,713
Certificates of indebtedness ...	$ 85,093,060
Treasury notes 5 per cent	$ 32,536,991
Treasury notes past due	$ 1,503,920
State bank notes	$ 78,867,575
Last issue 7.30s	$ 830,000,000
Total Sept. 1, 1865	$ 1,996,678,770

This closes the birth and growth of the greenback.

Chapter VI.
ITS PERSECUTION AND DECLINE

The greenbacks were first issued to such public creditors as had furnished the Government with labor, service and munitions of war. They were issued to soldiers, to widows and orphans, to farmers, mechanics, manufacturers and laborers. Not one of them went directly to the banker or Bond-holder. The Government had no use for that useless, non-producing class of parasites, consequently they were not included in the list of public creditors, with, and to whom the Government made solemn pledges and sacred promises when it created debts and cancelled them with the legal-tenders. But as we have before said the banker and the Bond-holder were on hand with all the power and influence of their combined wealth and shrewdness to see that the financial legislation of the country should be so constructed, that while to the careless observer it seemed to favor the people, it should result in their degradation and the building up of the Money Power.

Hence, for every dollar of legal-tender that was issued, an interest-bearing bond was created, and set as a trap to catch it. Provision was made by all legal-tender acts for the conversion of the greenback at par into bonds, as follows :

"And such United States notes shall be received the same as coin, at their par value, in payments for any loans (bonds) that may be hereafter sold or negotiated by the Secretary of the Treasury, and may be re-issued from time to time, as the exigencies of the public interests shall require."

The above satisfied the Bond-holders. They had secured their trap; it was to be baited with greenbacks, and they were sure of their game.

The people—the real creditors of the Government—saw nothing wrong or alarming about the foregoing provision, so long as the legal-tender notes they received bore a sacred pledge of the Government, in the following words :

"This Note is Legal Tender at its face value for all debts, public and private, except for duties on imports and interest on the public debt."

For everything else, not excepting the principal of the public debt, they were legal-tender at their face value. With this understanding, with this solemn pledge on the part of the Government, the people accepted the greenbacks in exchange for their property and their service, and consented to allow, for the time being, holders of surplus money to convert it into bonds, having faith in the promises and pledges of the Government that those bonds, at maturity, should be redeemed in the same currency for which they were purchased, allowing the holders 6 per cent gold interest for the use of their money.

This looked fair and honorable enough at the time and gave general satisfaction. But while hundreds of thousands of our best men were at the front, living in swamps and exposing themselves to dangers and suffering, privations of all kinds, while millions of others were laboring with all their might and strength on the farm, in the mines and in the workshops, to supply the Government and the soldiers with the means to prosecute the war, the Money Power stood between the producer and the consumer and robbed both of untold millions in the shape of jobs and contracts, which should make every American blush with shame as these startling and astounding thieving transactions are recounted.

In this way the Money Power accumulated greenbacks by the millions, which were immediately, under law, converted into gold-interest-bearing bonds.

So, in a short time, the gold of the country began to flow in a steady stream into their coffers. So much so that the Government, in 1864, was obliged to pay them gold interest to the amount of $104,441,400.

Now where did the Government get this gold ?

What were its resources ?

It could not get it abroad, for when we had accumulated $21,000,000 on the sale of bonds in England in 1864, that country refused to allow us to take one dollar from her shores, and it had to remain.

Senator Boutwell said in a speech January 22, 1874, as follows :" When the negotiations were going on in London for the sale of the largest amount of United States bonds that have ever been sold there at one time, it was foreseen by the Bank of England that a quantity of coin would accumulate as the proceeds of these bonds to the credit of the government of the United States. As a matter of fact, there was an accumulation of about $21,000,000. The Bank of England, foreseeing that there would be an accumulation of coin to the credit of the United States which might be taken away bodily in specie, gave notice to the officers of the Treasury Department of the United States that the power of that institution would be arrayed against the whole proceeding unless we gave a pledge that the coin should not be removed, and that we would reinvest it in the bonds of the United States as they were offered in the markets of London. We were compelled to do it." He also mentioned the case of the Geneva award, where we recovered a claim of $15,500,000 against Great Britain, to be paid in gold, but by a similar threat on the part of the Bank of England, and through negotiations, the claim was paid by the transfer of our own bonds.

Thus the Government obligated itself to pay what it did not possess and what it could not get. It was anticipated that the receipts from import duties would be adequate to meet the interest on the bonds. It mattered not whether this was the case or not. Merchants had to obtain the gold somewhere to pay the duties.

The Bond-holders were now in a condition to make their own terms. They owned all the gold in the country. Their bonds would absob twice the amount of the annual product of the nation, and when the Government or importing merchants came to them and offered them legal-tenders for gold, it was in their power to ask any price they pleased, and they did not fail to take advantage of their power and opportunities. Gold began to go up with the increasing power of the Shylocks to monopolize and corner it. Gold went up, not because the value or general purchasing power of greenbacks became less, but because the owners of it controlled the whole amount, and could command any price they saw fit to ask.

The Government had created a demand it could not supply, and placed itself and the country at the mercy of a set of cold-hearted, soulless robbers. To show that it was not the depreciation of the greenback that caused gold to go up we have compiled a table showing the relative prices of gold, superfine flour per barrel, and mess beef per barrel, from 1860 to 1874. Our figures are taken from Fawcett, Berkey and the "Tribune Almanac":

Year	**Gold**	**Flour**	**Beef**
1860	$1.00	$5.25	$10.75
1861	1.00	5.50	9.00
1862	1.00@1.37	5.47	12.06
1863	1.37@1.72½	5.87	12.50
1864	1.72@2.85½	6.30	13.25
1865	1.46¾	9.72	20.50
1866	1.41	7.60	19
1867	1.37	9.42	13.50
1868	1.36	8.70	15
1869	1.24	5.70	14
1870	1.10	4.92	14.50
1871	1.08	5.50	12
1872	1.11	6.00	10
1873	1.12	5.95	11
1874	1.13	5.95	10

These figures prove conclusively that there has been no depreciation in the value or purchasing power of the greenback dollar, but that gold, like beef and flour, bore a price according to the supply and demand at different times. Flour and beef went up during the war, not because the greenback was depreciated, but because the vast army of non-producers created an unusual demand. Gold went up because our Government gave a few pet Bond-holders a monopoly of it, and then created for it a demand that would allow them to put their own price upon it at the expense of labor, trade and production.

The above figures show :

1. That the fluctuation of prices in no respect correspond to the premium on gold.

That the value of gold, instead of a fixed and staple value, is constantly fluctuating, and that during these years it varied all the way from 1 per cent to 185.

That the variations in the price of gold have been greater than that of the average commodities of the country, and is, consequently, an unreliable standard of value.—

By Act of June 30, 1864, all bonds, Treasury notes, and obligations of the Government, were exempted from taxation by, or under any State or municipal authority; they having previously been exempted from Government or National taxation. By the same act the volume of greenbacks was to be limited to $400,000,000, and soon afterward the Shylocks scoured the country to find a man mean enough to carry out their damnable scheme of contraction, and succeeded in finding the man, Hugh McCulloch, who filled the bill to their satisfaction.

They have all the gold of the country, and an amount of bonds that will continue to absorb all the proceeds of industry, provided they can cripple the country so as to render it impossible for the Government to call in and pay the bonds at maturity.

By the terms of the contract the Government may call in the bonds any time after five years and pay them in the people's money, on the back of which is inscribed : Legal Tender at its face for all debts, public and private, except interest on bonds and duties on imports.

To prevent the Government from using its $1,900,000,000 of greenbacks in payment of the bonds, a scheme to contract the currency was inaugurated by McCulloch, which became a law by Act of April 12, 1866. This law authorized the Secretary of the Treasury, at his discretion, to receive any Treasury notes or other obligations (money) issued under any act of Congress, whether bearing interest or not, in exchange for any description of bonds authorized by the act to which this was an amendment, and also to dispose of any description of bonds authorized by such act to such an amount, in such manner, and at such rates as he may think advisable, for legal tender, or for any Treasury notes, certificates of indebtedness, or certificates of deposit, or other representative of value which have been, or may hereafter be issued under any act of Congress, the proceeds thereof to be used only for retiring Treasury notes and other obligations issued under any act of Congress. Provided, that of United States notes (regular greenbacks) not more than $10,000,000 may be retired and cancelled within six months from the passage of this act, and thereafter, not more than $4,000,000 in any one month.

The reader will bear in mind that all the different descriptions of indebtedness above referred to, as "representatives of value," such as certificates of deposit, and indebtedness, and Treasury notes, were issued in the shape, form and style of greenbacks, were passed from hand to hand as such, were legal tender, and went to make up the great volume of currency in circulation which this bill was intended to contract, cancel and retire.

On December 4, 1866, E.G. Spaulding, who had now become the Bond-holders' champion in Congress, wrote to Secretary McCulloch as follows :

" You have no doubt now, to a large extent, control of the finances of the country, and I think that you will, of necessity, contract moderately, so as to preserve a tolerably easy money market, in order to be able to fund the compound 6s and 7-30s into long gold bearing bonds between this and the 15th of July, 1868. There may be occasional spasms and tightness for money with the speculators, but generally I shall look for plenty of money for legitimate business for at least a year to come."

Seven years passed away under the operations of this accursed contraction robbery.

It started a panic in 1873, which has resulted in the most wide spread and disastrous financial ruin the world ever experienced.

The bankruptcy of over 50,000 business firms, involving a loss of upwards of $2,000,000,000 are a part of the fruits of this hellish scheme, to say nothing of the shrinkage of values of all kinds of property amounting in the aggregate to not less than $16,000,000,000, and the end is not yet.

During the last decade there has been over 1,349,000,000 of legal-tenders destroyed, and over one-half of the coin has been rendered unavailing in the payment of the public debt or interest by the demonetization of silver.

Chapter VII.
ITS RIVAL—NATIONAL CURRENCY

Our fathers made a Constitution in which it was provided that the whole people should have the advantage of coining money and fixing the value thereof. Our present law-makers have sold this great right to a few, greatly to the injury of the many.—(E.M. Davis)

If there was one act of treason during the inception and prosecution of the war of the rebellion that towers high over all others, and should sink its perpetrators deeper in a traitor's hell than any other, it was the conception and creation of the National Banking Law.

The greenbacks, even though crippled in their birth, proved themselves abundantly able to save the Republic and maintain the integrity and prosperity of the nation; and that, too, without burdening the country with an interest debt, or laying the foundations of a system of robbery that should consign labor to the condition of serfdom.

But a system of finance that would give prosperity to the laboring masses, would furnish no support to the idle, interest-sucking drones and Shylocks. It would blast the hopes and prospects of the American sprig of the Money Power which the keen-eyed, heartless aristocracy of the old country had planted in the soil of liberty.

Let the reader exercise the same good sense and unbiased judgment in reviewing the acts of the framers of this law, and the motives which inspired them, that he would in regard to any other subject of vital importance to his personal interests and those of his children.

Secretary Salmon P. Chase was hit upon as the coy-duck, the stool-pigeon to induce the Government to enact this most infamous law.

In December, 1862, Secretary Chase, in his annual report, urged the passage of a national banking law, "for the purpose of a sound, uniform circulation of equal value throughout the country, upon the foundation of national credit combined with private capital." He did not claim, nor was it pretended by any of the friends of the measure that it could in any way aid the Government in its present trouble.

On the 2d of February, 1863, the bill was reported in the Senate by John Sherman. It was taken up on the 9th and passed on the 12th by a vote of 22 to 21.

On the 13th it was sent to the House, and without being referred to the Committee on Ways and Means, was taken up on the 19th and passed on the 20th by a vote of 78 to 64, and approved by the President February 25, 1863.

Led thus by Secretary Chase, it was lashed through Congress and became a law with but little discussion, in the brief space of ten days.

The Money Power must have a bond from which to draw luxury, velvet cushions, ease, power, wealth and prodigality, without labor or taxation, at the expense of the toiling, tax-paying millions.

The legal-tender system required no bond.

It gave them no undue advantage over wealth or the creators of wealth.

It was so democratic it allowed no place or foothold for an idle aristocracy. The plan conceived was simply this :

1st. To suffer, for the time being, an unlimited amount of legal-tenders to be issued; to make them of various kinds—both interest and non-interest-bearing. Let that interest be both simple and compound. Although the non-interest bearing always answered every purpose, and paid as much debt and purchased as much property as the interest-bearing, the latter was made to exceed, by far, the former, in order to disgust the people and make it easy to convert them into the coveted bond. As has been heretofore stated, every act that authorized the issue of a greenback, provided for a bond to catch it.

2d. By forced and designed depreciation of the greenback, the Money Power was able to accumulate vast quantities at 35 and 50 cents on the dollar and convert them into bonds at par.

3d. After having converted the great mass of legal-tenders, which had cost them less than half their face value, into gold-interest bonds, at par, ordinary avarice would have been willing to rest, and be satisfied with the semi-annual interest in gold. But our American Shylocks were not.

They next proposed to create and control a new department in the Government for the safe keeping of their bonds, and to collect and pay over their semi-annual interest and authorize this new department to issue to them "national currency money," legal tender for all debts due to the Government, to the amount of 90 per cent of the currency value of their bonds.

So in case of any depreciation of currency below the face of their bonds, they would be entitled to receive an additional amount equal to the depreciation.

In short, their plan was to buy bonds at par with a depreciated currency, compel the Government to hold and safe-keep them, collect and pay them their regular interest, and then give back to them a national bank money equal in value to the whole amount they had paid for the bonds. They calculated well, made a wise choice of tools, and succeeded, as we will now proceed to show.

The entire act is too long to publish in this pamphlet, it consisting of seven chapters and 140 sections.

Berkey says [?]: The national banking system was a conception of the money kings of Europe and America, or rather the combined money aristocracy of the world. It was forced upon the people of the United States by urging Secretary Chase to recommend to Congress the establishment of a banking system that would serve their selfish purpose. They also prevailed upon Congress to reject all the good features of other banking systems and engraft upon it all of the evil ones, making the law wholly in favor of the bankers and against the people.

That it was made for the rich, and not for the masses, is evident from the fact that it provides that the banker shall deposit not less than $50,000 in bonds of the United States with the Treasurer, as a pretended security for the ultimate redemption of the circulating notes.

But as the banker still continues to draw interest upon the bonds deposited, and as the time for the final redemption of the notes is optional with the banker, this pretended security is a sham and a farce.

The law provides that for every $100,000 of bonds so deposited, the Government shall issue to the banker 90 per cent of the currency value of said bonds in national currency, to be used and loaned out as money, free from interest to the banker, but authorizing him to charge such rates of interest to borrowers as he may choose.

The national banking law provides—

1st. That any number of persons not less than five may form an association for carrying on the business of banking.

2d. That any such association shall have corporate power, to have succession for the period of twenty years, to make contracts, to sue and be sued, etc.

3d. The capital of such associations shall be not less than $50,000 in places whose population does not exceed six thousand ; not less than $100,000 in places whose population exceeds six thousand ; and not less than $200,000 in places whose population exceeds fifty thousand.

4th. Every such association is entitled to receive from the Comptroller of the Currency circulating notes to the amount of ninety per cent. of the capital stock, if it does not exceed $500,000 ;

ORGANIZATION OF NATIONAL BANKS

The manner in which National Banks may, and have been organized and put in operation, is thus given by Hon. S.S. Marshall, of Illinois, in a speech on the floor of Congress, July 21, 1868 :

" An association of gentlemen (in an Eastern State) raised $300,000 in currency. They went to the office of the Register of the Treasury and exchanged their currency for $300,000 in six per cent. gold bearing bonds. They then went to the office of the Comptroller of the Currency, in the same building, organized a National Bank, deposited their $300,000 in bonds and received for their bank $270,000 in national currency. They had let the government have $30,000 in currency more than they received for banking purposes, and had on deposit $300,000, on which they received as interest from the government $18,000 a year in gold (and exempt from taxation.) This was pretty good financiering for these bankers to receive $18,000 a year in gold—on the $30,000 in currency which they had thus loaned to the government. But this is not the whole story. They had their bank made a public depository. They soon discovered that there was scarcely ever less than $1,000,000 of government money deposited within their vaults. They did not like to see this vast sum lie idle. They, therefore, took $1,000,000 of this government money and bought $1,000,000 of five-twenty bonds with it. In other words they loaned $1,000,000 of the government's own money to the government, and deposited the bonds received in the vaults of their bank, on which they received from the same government $60,000 a year in gold as interest. Thus for the $30,000 in currency, which they originally loaned the government, they received annually in all $78,000 in gold." But this was by no means the limit to the legalized robbery which these gentlemen were capable of perpetrating under the National Banking law. Since they had no scruples about investing the government deposit of $1,000,000 in 5-20 bonds and appropriating the interest to their own use, it is not at all likely that they would stop there, when, by simply depositing the $1,000,000 in 5-20 bonds with the Comptroller of the Currency, instead of in their bank vaults, they could draw eighty per cent. more currency, or by starting two new banks of $500,000 each, they could draw ninety per cent. more currency, to substitute for that amount of the original deposit of the government used by them.

EXPENSE OF THE NATIONAL BANKS

The enormous cost of a medium of exchange, consisting of bank currency and bank credit, may be arrived at approximately in several ways. On the 1st of September, 1875, there were in operation 2,087 National Banks. The net earnings of the banks for the previous six months amounted to about $30,000,000, or $60,000,000 for the year. The officers of the banks, including presidents cashiers, tellers, bookkeepers, clerks, attorneys, notaries, etc., constitute an army of non-producers. Averaging the number at ten for each bank would give 20,000 persons. The chief officers of a bank are usually large stockholders, and the subordinate positions are mostly filled by their relatives, and in no other business, perhaps, do salaries rate so high. Averaging the salaries at $2,000 per year each for 20,000 persons will give a total of $40,000,000, which, added to the net earnings, gives a grand total of $100,000,000 a year. Or, again, the aggregate loans and discounts of the National Banks on the first day of October, 1875, amounted to $980,222,951. At ten per cent. interest the amount paid for this sum would be over $98,000,000. To this add the interest paid by the people on the bonds deposited with the Treasurer of the United States—about $390,000,000—at six per cent. in gold—about $27,000,000, and it will give a grand total of $127,000,000. From this it appears that the people are paying annually to the banks the enormous sum of about $127,000,000, a sum greater than the interest on the public debt, for the use of some $350,000,000 of bank currency. This burden is entirely unnecessary. A medium of exchange could and ought to be furnished by the government ; or, in the language of Jefferson, "Bank paper must be suppressed, and the circulating medium must be restored to the nation to whom it belongs." The people would then have a medium of exchange unencumbered with interest, and, what is vastly more important, one that would occupy the channels of circulation, subject only to the natural laws of trade.—Berkey

Thus was this monster of labor robbery created and set in motion during the darkest days of our country's history.

While patriotism and the Greenback were fighting the nation's battles in the name of liberty and democracy, traitors were at work in the halls of Congress plotting the destruction of one and the enslavement of the other. Greenbacks and democracy go hand in hand in the great work of elevating mankind and creating national and industrial prosperity, while the national banks, or a monopoly of the money of the country by a law-favored few, is the strong arm of the idle aristocracy to rob industry and degrade labor to a condition of slavery.

Thus the contest between liberty and slavery, between democracy and aristocracy, has been raging for twelve years, while the result depends upon which shall succeed, the greenback or the national bank currency.

Chapter VIII.
REDEMPTION

In 1875, two years after the terrible crash of '73, seeing that the public mind had not awakened to a realizing sense of the cause of the calamity, the Shylocks ventured to make a bold and decisive move which would dash out of existence the last vestige of the greenback, even to the fractional currency, and convert the last remaining dollar into gold-interest-bearing bonds, which, while yielding them semi-annual or quarterly interest in gold, gave to them also the entire volume of the nation's currency.

To do this, they secured the passage of an act known as the Resumption Act, January 14, 1875. By the provisions of this act every dollar of greenbacks is to be redeemed and retired, from and after January 1, 1879, as fast as presented to the Treasury for that purpose. This bill further provides that all restrictions to the unlimited issue of national bank currency under previous acts, are repealed.

Thay had before claimed that the currency must be contracted.

That there was an excess, over and above all the needs of commerce.

That the volume was "inflated" beyond a healthy standard, and business could not become prosperous and stable until the currency was contracted down to a gold basis.

But what shall we think of their honesty when, by the very bill that was to wipe out every greenback, it was provided that the law limiting the aggregate amount of bank circulation, "be, and is hereby repealed," and that new banking associations may be organized, in accordance with existing law, "without respect to said aggregate limit"? Here is the act :

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled,

That the Secretary of the Treasury is hereby authorized and required, as rapidly as practicable, to cause to be coined at the mints of the United States, silver coins of the denominations of ten, twenty-five and fifty cents, of standard value, and to issue them in redemption of an equal number and amount of fractional currency of similar denominations, or, at his discretion, he may issue such silver coins through the mints, the Sub-Treasuries, public depositories and post offices of the United States, and upon such issue he is hereby authorized and required to redeem an equal amount of such fractional currency until the whole amount of such fractional currency outstanding shall be redeemed.

Sec 2. That so much of Section 3,524 of the Revised Statutes of the United States as provides for a charge of one-sixth of 1 per centum for converting standard gold bullion into coin is hereby repealed, and hereafter no charge shall be made for that service.

Sec 3. That Section 5,777 of the Revised Statutes of the United States, limiting the aggregate amount of the circulating notes of the national banking associations, be, and is hereby repealed, and each existing banking association may increase its circulating notes in accordance with the existing law, without respect to said aggregate limit ; and new banking associations may be organized in accordance with the existing law without respect to the aggregate limit ; and the provisions of the law for the withdrawal and re-distribution of national bank currency among the several states and territories are hereby repealed ; and whenever and so often as circulating notes shall be issued to any such banking association, so increasing its capital or circulating notes, or so newly organized as aforesaid, it shall be the duty of the Secretary of the Treasury to redeem the legal-tender United States notes in excess of only $300,000,000 to the amount of 80 per centum of the sum of national bank notes so issued to any such banking association as aforesaid, and to continue such redemption as such circulating notes are issued until there shall be outstanding the sum of $300,000,000 of such legal-tender United States notes, and no more. And on and after the first day of January, A.D. 1879, the Secretary of the Treasury shall redeem in coin the United States notes then outstanding on their presentation for redemption at the office of the Assistant Treasurer of the United States, in the city of New York, in sums of not less than $50. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues from time to time in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par in coin, either of the description of bonds of the United States described in the act of Congress approved July 14, 1870, entitled, “An act to authorize the refunding of the national debt,” with like privileges and exemptions, to the extent necessary to carry this act into effect, and to use the proceeds thereof for the purposes aforesaid. And all provisions of law inconsistent with the provisions of this act are hereby repealed. Approved January 14, 1875.

It is claimed by some that the greenbacks, after being redeemed under this law, will be re-issued again by the Government and go into circulation.

Read the act carefully. The first section requires the Secretary of the Treasury to redeem the fractional currency in silver coin of like denominations.

Does any one pretend that was designed to re-issue this currency after it was redeemed ?

The third section authorizes the Secretary to redeem the legal-tender United States notes in excess of $300,000,000, to the amount of 80 per centum of the sum of the national bank notes that may be issued under this unrestricted act and continue the redemption until there shall be outstanding only the sum of $300,000,000.

Does any one pretend that this redeemed excess is to be re-issued by the Government ?

Certainly not, for if it were, the limit would never be reached.

But the same term, the word "redeemed," is used in reference to the $300,000,000 that is to remain outstanding on January 1, 1879.

"And to enable the Secretary of the Treasury to prepare and provide for the redemption in this act authorized or required, he is authorized to use any surplus revenues from time to time in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par in coin, either of the description of bonds of the United States," etc.

If, after redemption, the greenback may be re-issued, then the fractional currency may be, and the excess of $300,000,000, as fast and as often as the farce is repeated.

Rest assured that redemption means a retiring, canceling, wiping out of existence of the entire amount of the legal tenders.

What high-handed robbery !

When the legal tenders were issued by the Government, the people and the Government received the benefit of the full amount, without cost, for which they recovered full face value in property and services.

The whole amount now, or soon will be, if the redemption law is carried out, saddled upon the backs of the people in the form of a perpetual gold-interest-bearing debt.

This debt will enable the holders of it to keep the country in perpetual poverty by drawing from industry its entire surplus production.

This is not the worst feature of the act. It deprives the Government of the right to issue the currency of the country, and compels it and the people to buy it of the Bond-holders, who, by virtue of the law, is entitled to issue it free of cost in unlimited quantities.

Every dollar of currency after 1879 will consist of bank notes.

It cost not one cent, except for printing, and the Government even does that; and they, the petted, law-favored Shylocks, are to have the power, not only to absorb all the profits of labor as interest on their bonds, but a chartered right to compel the Government to print bills for them free of cost, and allow them to supply the country at any price the necessities of business may warrant them in demanding.

Was such an outrage ever tolerated by a people possessing sovereign power ?

In the name of heaven is it not enough that the money kings have seduced us into an agreement to pay them gold interest on all the legal tenders we ever issued ?

In 1879 we shall have no money to carry on the business of the country. The people and the business of the nation will require $2,000,000,000 of paper currency. Who shall issue it and who shall have the benefit of the issue ?

If the Government should say to the farmers of the United States, “Gentlemen, you shall each of you receive this $2,000,000,000 in proportion to the assessed value of your lands,” it would be a fine thing for the farmers and enable them to lift every mortgage on the soil of Columbia, and something to spare for improvements.

But it does not say that. It says to the Shylock “You have gobbled up all of our money and induced us to burn it and give you bonds in its place. The country sees its folly, deeply feels the loss, and must have the currency restored. Now, according to the bond, and to keep the good faith with those who have robbed us, we, as a Government, cannot issue on our own account and for our own benefit any more currency.

“But we will coin, print, stamp, and give it full legal-tender value and make some one a present of it and let them have the full, free, untaxed benefit of it.

“We won’t give it to the farmers, for they are hard up; not to the merchant or the manufacturer, for they are on their last legs; nor to labor for most of that class are tramps and can help themselves.

“We will give it to them who hath an abundance, even the Bond-holder, whose bonds already draw from the rest of mankind all that they can earn. Yes, the Bond-holder; he who has already robbed the country and bankrupted and impoverished every element of prosperity in the land—he shall be the recipient of these royal favors.

“Of him the people shall borrow and pay more interest, and when the Government wants money, we will tax the people and compel them to borrow more of these robber pets.”

Do the people see the chains that are being forged for them ? Do they realize that they are helping to rivet them on their own limbs ?

Will they awake before they are bound hands and feet and armed sentinels placed over them ?

Rally, then, before it is too late ! Destroy the banks before they destroy you !

Disarm your enemy by paying him off in lawful money !

Resurrect the Rag Baby and restore the greenback !

THE GREENBACK PARTY DEMANDS :

1st. The repeal of the Resumption Act.
2d. Remonetization of silver.
3d. The repeal of the law authorizing the payment of the bonds in coin.
4th. The repeal of the National Bank Law.
5th. The greenback be made a full legal tender without exception.
6th. To call in the bonds and pay them off in lawful money.
7th. Tax all evidences of indebtedness, including United States bonds.

Greenback Publications.

For the use of men who are interested in the people, and would be informed of what the money changers are each year doing to destroy the American Republic, enslave American labour and bring intelligent, industrious manhood down to a slavery to an untaxed Money Power, the following works and documents are especially adapted :

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