

June 8, 1894

Mr. Albion W. Turgess

Mayville N.Y.

Dear Sir,

The "Bystanders Notes" have been read with care and interest for many years at our house, by one whose political birth was in the Republican womb and whose food has been Republican doctrines swallowed without "salt" even though found, at times, somewhat nauseous. The campaign in Oregon, just passed, has been one of education in politics to a greater degree than ever before, the effect of the present conditions and the third party movement. Another Republican victory has been scored and with it has come a slight increase in circulating medium in the shape of subsidiary coins fresh

from the mint I had occasion to observe  
 some efforts to put it in circulation upon  
 election day in the vicinity of the polls.  
 One of our local <sup>Republican</sup> orators has advised the  
 voters to read their histories and learn  
 for themselves the truth of the theories  
 of Protection and Free trade as proven by  
 their effects upon the country during  
 various epochs. I took careful notes of  
 epochs and dates given by the speaker  
 and have read up under three different  
 historians and fail to find in any  
 case, that the financial depressions  
 through which the country has passed  
 since colonial times, was attributed to  
 tariff legislation; the Populists tell us  
 it was due to financial influence  
 and so do the historians, the effect of  
 tariff being incidental only, since some  
 of our worst panics have occurred under  
 a protective system. If Adam Smith  
 has correctly defined wealth, the

class in history may read the "Hazard circular"  
Your statement that, "One man has the  
capacity and luck to make large  
accumulations," and your other  
statement; "the Populist idea of the  
creation of opportunity" brings to  
mind an incident in the history  
of a man who was State Senator  
and candidate for reelection at the  
election just passed a few years ago.  
This man, then largely engaged in  
the sheep industry, had a very trusty  
herder who contracted to tend his employer's  
sheep for ten months at forty five dollars  
per month, and to pay one dollar each  
for all the missing sheep at the  
end of the season, another herder  
was tending a large band for this  
man also, but at five dollars less

per month; ~~the~~ herders had  
 separate corrals in which to  
 keep their flocks at night, and  
 separate ranges, but the sheep  
 in both flocks were marked  
 exactly alike; on the last night  
 of the contract the first mentioned  
 herder put his flock into the corral  
 counting them, as was his custom,  
 and finding the number correct  
 excepting only such of the number  
 as had been killed for food as  
 stipulated; the next morning  
 four hundred and fifty sheep were  
 missing and the sheep owner  
 Angus worthy and honorable Law maker  
 had - by a created opportunity, the  
 capacity and luck to make four  
 hundred and fifty dollars. The Ojaga  
 Indians have recently increased  
 their per capita wealth in the hands  
 of the government from twenty

thousand to nearly thirty five thousand  
 by the creation of an opportunity to  
 disfranchise and expell from the  
 tribe some hundred of half breeds  
 who have hitherto held recognized rights.  
 the Osages have evidently profited by  
 the example set them in the history  
 of thirty years of financial legislation  
 in our country and having developed the  
capacity, the luck becomes a sure thing.  
 A London paper, in discussing the  
 money problem in America, says "we  
 fear the American people have still to  
 suffer heavily before they leave currency  
 to experts, as they would astronomy, and  
 only insist on as little fluctuation as  
 can be secured" &c. it then manifests  
 a wonderful interest in american affairs  
 by saying "We have ~~been~~ utterly

reckless in this way ~~is~~ which we have allowed men the great privilege and power of citizenship. There should be a longer apprenticeship, there should be a more real and effective examination, before the sacred freeman's oath is administered. - all that is necessary in this last is to write (estate) after the word real and underscore the (we) all the way through; we have evidently taken the advice of our London friends in the first quotation to our sorrow. In the address of R. M. Wildney President of the University Bank of Los Angeles, Cal. before the Bankers' Association he states "that the volume of business in the United States is vastly above one hundred and seventy billions annually" "Our total volume of money represents only six mills on the dollar for actual business. --- the actual volume of money available for business, is such a small

fraction of a cent, that we cease to wonder at the impossibility of moving the volume of trade, and only wonder that business is not totally paralyzed. "There can be no permanent prosperity until our volume of available money is increased" -- you might as well try to run the railroad business of the United States with a few hundred cars. We can agree with Wildney as to why business is dull and to the remedy he proposes as being vastly more effective and sensible than tariff legislation but we might differ radically on methods for increasing the volume of money, especially if he favors the methods set forth in the "panic circular" which one of our leading bankers confesses having received, and the experience of most of us indicates that ~~the~~ <sup>same</sup> advice contained in that document,

has been followed as closely as possible.

An editorial in the Inter Ocean some time ago asked why, in view of the vast accumulation of money in the banks and the low prices of raw materials, did not the manufacturers borrow this money and set the wheels of industry in motion? If one considers the situation briefly it can be answered. From the very fact that this money is in the banks and not in the hands of the people, is evidence that it has accumulated there through the payment of interest bearing obligations which have consumed the products of labor to that extent that nothing is left in the hands of manufacturers or laborers or producers; to start manufacturing on borrowed capital is to multiply the usury system through every exchange from producer to consumer which will add to the cost of the article and must make the situation still worse unless some



means for an increase of money is provided. When money is more profitable to loan at usury, (which consumes the products of labor,) than to invest in productive industries bankruptcy is only a question of time: ten years ago a banker and large farmer in Illinois, said to me that "eight per cent beats any farming," and farming was then more profitable than at any time since. Money here is from 18 to 30 per cent and impossible to all but a few persons at that. But one bank with open doors out of three. Wheat 30¢; no market for any kind of farm products except a limited sale of early fruits. Last year's wool clip for Oregon was about 19,000,000 lbs. if sold at 20¢ per lb. it would back over two hundred thousand dollars of supplying the home consumption of woolen goods in this state: the clip was sold at from

6 to 8¢ per lb. and yet the Mills are idle, while the Orators on the stump proclaim that it is the fear of the Wilson bill that has done it all. the Woolen Mills of our state don't say so. Doubtless the effects of present conditions are locally intensified here where the improvement of new sections of country depends largely on borrowed money; various forms of legislation have sought to relieve the financial strain such as the repeal of the usury law, mortgage tax law &c. and the only effect has been to increase the burdens of the debtor class. In 1891 there appeared in the Chicago Daily Press an article in which, among several, was this statement, "A people without homes will not quarrel with their rulers. History repeats itself in regular cycles, this truth is well known among our principle men now engaged in forming an imperialism

of capital to govern the world. While they are doing this, the people must be kept in a condition of political antagonism. The question of tariff reform must be urged through organization known as the Democratic party, and the question of protection ~~with~~ reciprocity, must be forced to public view through the Republican party. By thus dividing the voters we can get them to expend their energies in fighting each other over questions of no importance to us, except as tethers to lead the common herd." near the first of this article it says "A gold basis for money circulation must first be accomplished." The Daily Press was squeezed to financial ruin for the publication of this article. Can it be that the Press

of the country is silent upon  
 the monetary system condemned  
 by Lincoln and Greeley from the  
 first and whose subsequent acts  
 were fought by Thad Stevens  
 E. S. Spaulding and John Sherman  
 (previous to 1873), because of  
 ignorance, or because this system  
 has held the strangle cord around  
 their necks, or is it a purchased  
 silence? Is not this the "obstructionist"  
 party <sup>without names</sup> that has subverted the  
 dominant political parties of our  
 country? There are more of us  
 looking for a new reform  
 party.

Very Respectfully Yours  
 "Hayseed"

D. B. Hartwell  
 Pendleton Ore

## HAZZARD CIRCULAR.

In 1862 Hazzard, an agent of European capitalists, sent the following "confidential" circular to American bankers:

"Slavery is likely to be abolished by the war power, and chattel slavery destroyed. This I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care of the laborer; while the European plan, led on by England, is capital control of labor, by controlling wages. This can be done by controlling the money. The great debt that capitalists will see to it is made out of the war, must be used as a measure to control the volume of money. To accomplish this the bonds must be used as a banking basis. We are now waiting to get the Secretary of the Treasury to make this recommendation to Congress. It will not do to allow the 'greenback' as is called to circulate as money any length of time, for we cannot control them. But we can control the bonds, and through them the bank issue.