

Oswego Ill

July 21, 1894

Albion W. Tourgee

As a regular reader of the vigorously corrective and to some extent progressive "Bystanders Notes" I am induced to write this letter. It will be ungrammatical with perhaps some bad spelling, as I am a foreigner that had very little schooling and none all in English; therefore I am apt to go the hill up, spell boy with a p, dog with a t and Cat with a K. I have no fault to find with the "Notes", no suggestion to make as to what you might do, and do not expect that you will adopt any of my ideas which I may pen down.

I hold it to be an axiom that there is a cause for everything, and that all of existence, be it material, mental, political, religious and what not, is brought about by natural evolution. The hard

times are due to a cause, and what is it? Certainly not any scarcity of the necessaries of life, all of which are in abundance, and there are plenty of people willing to work and produce all and much more than is needed. If the hard times were brought about by evolution then we must look backward and see what we have been doing. The country has been under the economic policy of the Republican party for upwards of 33 years; though Cleveland in the mean time has been President for nearly 5 1/2 years and Congress Democratic for some time, the policy underwent no change; on it, in fact, there is no material difference between the old parties. During the most of this time it is claimed that the country has enjoyed great prosperity and become immensely rich. Before the war the country was short of capital and compelled to borrow of England wherewith to build her railroads; but by the war

capital was made plenty, and since with American capital railroads were built in foreign countries; from this it should be seen that capital mainly consists in what others, and more particularly, the people in general owe. That the Republican party will remedy the ~~def~~ disease that has been evolved under its administration and remove the cause of it, would be like the "casting out of devils through Beelzebub," and for that matter the Democratic party is no better; reform has to be found through a new organization. As there is enough of everything, and as everybody might be supplied with the necessaries and many comforts of life but for the want of money, the money system must be the main thing that needs to be reformed. Except the greenbacks, all of the other money was brought into existence by being bought or borrowed on interest of the gold and silver producers and the National

banks; why should we have classes to enjoy this privilege? Being the amount is limited, a corner on money, and by which all values ~~values~~ may be effected, can be as easily got up as on anything else.

The concentration of the money in the hands of the few is frequently alluded to as being hazardous; the most potent agent for it is the usury principle - nobody to my knowledge has ever undertaken to make an estimate of the amount of interest on paper obligations in the United States, but it runs into Millions daily - its retardation is much in order.

The high prices and high wages idea is a snare and delusion to the laboring classes; the laborer that earns \$600. per year and spends 90 per cent of it for his living is benefiting capital double the one that earns but \$300. and spends the same per cent of it. The higher the prices the faster money may be made, the more power for monopoly is created, the more

the many become subject to the few. Many who make their money where it can the fastest, then go and spend it where it will go the furthest. Nearly every European City has an American Colony, while very few foreigners come <sup>here</sup> for pleasure. the cost of living is too high. This ought to be the cheapest country to live in instead of the dearest.

The newspaper reports of the tariff legislation during the last three months ought to turn everybody against the tariff principle, especially that of protection. A policy of government for helping the the people make money naturally must lead to corruption.

No matter what virtue there may be in the theory of socialism, or in that of Henry George "No private property in land"; neither is fitting. The people are wedded to private property in all things that can be made such; they believe in individualism, in being above each other, in men of fame,

in Jay Goulds as well, if not more so, than of Daniel Websters. The reform which shows the least encroachment on this sentiment will be the one most likely of success. Now without any further preliminaries I will briefly state my theory of the easiest to accomplish and at the same time, most radical reform.

1 - A law providing for a new issue of paper money up to any amount that may become requisite, which may be called "Credit money," and which shall be a legal tender for all demands in the U.S.; which shall be exchangeable dollar for dollar with gold and any other money issued under the authority of the government; which shall not be redeemable by any other kind of money, but renewable when because of wear or injury having become unfit for use. Further that government depositories (Savings banks) be established - National banks and postoffices may be made

available - for the safe keeping of the surplus money of the people, and without any expense to them; the deposits and withdrawals of the money to be made in even dollars. Further, that the circulation of the National bank currency be withdrawn upon the expiration of their charters; also that the treasury notes, gold and silver certificates and greenbacks,

be gradually redeemed in accordance with the laws under which issued.

2 - A law providing that all customs duties and all internal revenues shall be reduced 25 per cent after a certain date for the first year, and a like amount progressively the three years following, so that at the end of four years all tariff and internal revenue laws shall become null and void. The deficits created thereby, irrespective as to amount, shall be paid by Credit money or any other that may be in the treasury, except the hundred Millions of gold for the redemption of the greenbacks,

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so long as their circulation exceeds that amount.

3 - A law providing fixed compensation for the different kinds and classes of labor; under which however the ~~principle~~<sup>price</sup> of piece work may be determined between the employer and employed. Also, that the man unable or unwilling to perform a days labor, may make a special bargain for a less amount, and the extra good workman may receive a higher amount than the lawful rate of their respective classes.

4 - A law for the discontinuance of the coining of gold or silver on private accounts; that all the coining of money shall be for the government; that gold and silver shall be treated as commodities and their value subject to supply and demand, as far as the U.S. are concerned.

By adding daily a Million of dollars or more to the money of the country the question naturally arises: Will not this inflation of the money lessen the purchasing power of the dollar and unsettle all values?

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But why should it; the dollar as now would be based on gold; besides, if the price of labor was fixed (as that of the officials by salary is) by law, labor would become the main basis of money, and the dollar while anchored on gold at one end, would at the other be anchored on labor. The cost of labor is the main factor of the values of all productions. Stable prices of labor would make stable prices of commodities; hence a hindrance to speculation which prospers by fluctuation. The recent Commonwealth armies, the strikes and the deranged industrial condition generally show that the old system has become inadequate for the times.

Such system of money would be gradually changing the present situation of individuals owing each other Billions of dollars on interest to that of the people in common owing to individuals

without interests - the interest paid on money would ~~and~~ dwindle to an insignificant amount in the course of time, compared with what it is now; the great agent for the concentration of capital would become essentially crippled. While it would be stimulating enterprise, as that would become almost the only <sup>way</sup> by which money may effect an increase to itself, it would neither create a plethora of money, as people would become satisfied with depositing their surplus when there was no opportunity for investment, nor a scarcity in emergencies, such as the moving of the crops &c. as always plenty of money could be gotten. Of course the accumulation of fortunes would be much retarded; many men that are living upon the interests of their money would be made to live on the principle; but this is just what reformers should aim at; the desideratum is greater equality,

and in bringing it about it is just as essential to be pulling back of the rich as to be pushing up of the poor.

In regard to foreign affairs we would have more gold and silver to spare for the payment of old debts and the settlement of trade balances, than now, and in that the bullion would be as available as the coin. It is also possible that by such system our foreign trade might be increased; we could say to the foreigners "we will buy of you freely such things we want and pay for them with our money, for which you may buy of us anything we have to sell." What amount of labor saved, expenses reduced, crookedness ~~prevented~~ <sup>prevented</sup> and annoyances avoided if the custom-house was abolished, and how much less labor for congress if no tariff laws were to be made and no silver legislation to be done. The less arbitrary

and the more automatic the system the better, and in the foregoing both these qualities are apparently.

As far as I am aware, the ideas presented are new, and doubtless at the first glance may appear cranky; but I hope you may find time to give them a perusal.

Respectfully

L. Rank

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