

Carolina Watchman.

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THE BEST FINANCIAL SYSTEM IN THE WORLD.

In another column will be found an article from the pen of Maj. W. A. Graham, which contains extracts from the laws authorizing the present national banking system, in which he shows that the government does lend money to banks, in some instances at one per cent. per annum.

We do not propose to attack the poor, oppressed men engaged in banking, nor do we expect to say anything to increase the sufferings of their poor, barefooted, starving children. But we will give briefly the plan to be pursued in starting a National Bank.

In towns having a population of more than 6,000 and less than 50,000 banks can be organized with a capital of \$100,000; when the population is over 50,000 the capital must not be less than \$200,000. In a town of less than 6,000 a bank with a capital of \$50,000 may be started by a "special permit from the Secretary of the Treasury."

Let it be understood that this has reference to National Banks, private banks having nothing to do with this. The number of men must not be less than five. To start a bank with say \$100,000 capital you will first purchase \$100,000 worth of bonds and deposit with the Secretary of the Treasury. You will receive from him \$90,000 in National Bank currency, made for that purpose. On your \$100,000 worth of bonds the government pays you 4 per cent. At the end of each six months you pay the government one-half of one per cent. or one per cent. per annum.

At this rate you get about 12 per cent on your capital invested. There is a premium on bonds now. Some premiums run as high as 27 cents on the dollar. So this premium will reduce your profit, but you get interest on deposits, and exchange sufficient to make up for this, and, in most instances, sufficient to pay rent, book-keeping, &c. So banking is really quite a profitable industry.

Now a word about the National Banking system. We have shown that every dollar coming through the National Banks costs us 12 per cent. So we actually pay this government 12 per cent to furnish us a little money to use as a medium of exchange, when it should furnish the money at a very little more than actual cost. Most of our leading statesmen have opposed this in years gone by. Even John Sherman opposed the National Banking system when it was first suggested.

When the law was first passed the bonds, which are now worth a premium, were selling at from 44 to 50 cents on the dollar. So the capitalist who had foresight invested heavily in the bonds, and not only made the interest but made the difference between 44 and 127 cents.

If everybody could conduct National Banks it would be all right, but not one in ten thousand get any advantages. The rest have to pay 12 per cent. for the money they use.

HARRY SKINNER.

This brilliant advocate of the sub-Treasury and the Ocala platform will speak at Salisbury on October 22d, the third day of the Piedmont Alliance Fair. Mr. Skinner is known as the "father of the sub-Treasury." Some three years ago he wrote an article for a northern magazine outlining the sub-Treasury scheme. It attracted considerable attention, but not a single paper in this State noticed the article, however.

There are a number of men in Salisbury and Rowan county who have only studied the sub-Treasury Scheme from one standpoint and are honestly opposed to the ideas advanced by the Alliance. They have read the prejudiced statements of opponents of the measure. We trust that every man in reach of Salisbury from any direction and of any avocation will be here on that day.

Mr. Skinner is an eloquent orator; he is educated, he is brainy, he is possessed of a large amount of magnetism. His speeches are mild, conservative. He will hold the undivided attention of any man for hours. He is logical, wonderfully so; his reasoning, quot-

tions from the words and writings of the greatest men who have ever lived in favor of his pet scheme, are rare nuggets of wisdom and highly instructive. No man in North Carolina has yet made a speech that will equal the one he will make at the Fair on October 22d.

A GOOD IDEA.

In another place will be found a new idea on the financial question. Our correspondent only gives a hint or two and a brief outline. But he promises to follow it up with some arguments later. We look forward to these with considerable interest and trust that we may get more light on this important question.

A Bold, Manly Letter From President Polk.

The following is a true copy of a letter addressed to the Atlanta Journal by President Polk, and which is sufficiently plain to be understood. The Journal is not the only paper that could profit by reading it. "Truth is mighty and will prevail."

WASHINGTON, D. C., Sept. 24, '91. Editor ATLANTA JOURNAL:—Returning from my trip West, I find that you have produced in your columns the slanderous press dispatches from Kansas regarding me. As you took the pains to parade these charges in headed-headlines and give them prominent position in your paper, I trust, in the interest of justice, that you will allow me space to refer to them.

You published that I was a brigadier-general. You failed to contradict it. Did you believe it? You published that I was in charge of the Confederate prison at Salisbury, N. C. Did you believe it? You published that I was commander of that prison I was cruel to Union soldiers. Did you believe it? If not, why did you not denounce it in the interest of fairness and honesty and justice?

Again, in your editorial, "President Polk's Latest," based on other infamous false dispatches, and which you assume are true, you charge that in my speeches in Kansas that I made the most abject apologies for my connection with the Southern Confederacy, and that I entered the Confederate service in the hope that I might do it damage. That after groveling in the dirt in this manner, that I proceeded to discuss the threatened strike of farm laborers in the South, and appeared to be very happy at the prospect of such a misfortune to the planters of this section. Did you believe one word of these base slanders? Has there been a combination formed by which Radical Republican tools of the north are to manufacture lies against Alliancemen, in concentrated form, to be sent to certain Democratic papers in the South to be elaborated and flavored for old diseased and ravenous stomachs? Is it fair, is it honest, is it manly, is it consistent for Democratic papers of the South to assume that the bitter assaults made upon one of our citizens by radical Republicans are true, and for you to rush to their support in such articles as the editorial referred to? You claim to be fair. A straight forward, manly, honest answer to the above questions will go far towards removing the impression made on the public mind that in this matter, at least, you have been anything but fair. And inasmuch as you have labored to substantiate these vile slanders, I hope you will at least allow your readers to see the truth.

In my speech at Wichita, referring to the lie that I had mistreated Union prisoners, I said: "I wish to say in reply to this charge, that in its conception and in its utterance, it is a malicious, premeditated and base lie, and I dare the man who said so, to stand up in this audience and repeat it." This challenge was received with general applause by the large audience. I was never treated with more cordial and uniform kindness and courtesy, and was as safe in city of Wichita as I would have been in the city of Atlanta.

The charge that I ever, on any occasion, at any time, or any where uttered a sentiment against the south, or the Southern people; that I ever, on any occasion, at any time, or anywhere, apologized for espousing the Southern cause is a base slanderous falsehood in every particular, as ever honest man and woman who ever heard me speak, will witness. I have never uttered a sentiment in Kansas or elsewhere where that I would not willingly and readily repeat in any State in the South. You say I was very happy in Kansas over the prospect of the misfortune to befall my people through the cotton pickers' strike. It may be unpleasant to have all this beautiful plot of malicious slander exposed and destroyed, but truth and justice demand it. What is the truth? I knew abstruse nothing of the alleged strike until my return to Washington City. Cotton is already selling at a price below the cost of production, and to pay one dollar per hundred pounds for picking would be an additional and ruinous reduction of three cents per pound more. Do you believe that I would thus favor the ruin of the cotton farmers of the South?

Do you believe the course of the Journal in this matter comports with the dignity of high-toned, manly journalism? Do you believe that the fair-minded people of this country will accept misrepresentation, vilification, abuse and vile slander in preference to reason, argument, justice and truth? Finally, permit me to say, that however much I may be traduced and slandered, I will not be swayed from my devotion to the people and their cause, but I intend to stand by them faithfully, firmly and fearlessly to the end, without regard to attachments or antipathies, or consequences to myself, personal or otherwise.

Respectfully, L. L. POLK.

MAJ. GRAHAM'S REPLY.

Does the U. S. Government Loan Money to National Banks?

Mr. Editor:—The following quotations are from a pamphlet entitled "National Bank Act," 1890, issued by the Treasury Department:

Sec. 39 (5159) page 18. Every association having complied with the provisions of this title preliminary to the commencement of the banking business shall transfer and deliver to the Treasurer of the United States registered bonds to an amount not less than one-fourth of the capital stock paid in.

Sec. 44 (5162) p. 17. All transfers of bonds made by any association under the provisions of this title shall be made to the Treasurer in trust for the association with a memorandum printed or written on each bond.

\* A receipt shall be given by the Comptroller of the Currency stating that the bond is held in trust for the association and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association.

\* Sec. 49 (5167) p. 18. The bonds transferred to and deposited with the Treasurer of the United States by any association for the security of its circulating notes shall be held exclusively for that purpose until the notes are redeemed.

\* Sec. 10, p. 72. That upon a deposit of bonds as described by sections 5159 and 5160 \* \* \* the association making the same shall be entitled to receive from the Comptroller of the Currency notes of different denominations in blank registered and countersigned as provided by law equal to ninety per centum of the current market value, not exceeding par of the United States bonds.

\* Sec. 9, p. 71. That any national banking association now organized or hereafter organized desiring to withdraw its circulating notes upon a deposit of lawful money with the Treasurer \* \* \* is authorized to deposit lawful money and withdraw a proportionate amount of bonds held as security.

From the above laws we see that a national bank, in order to get its notes for use, must mortgage to the United States Treasurer and deposit with him U. S. bonds as security for their redemption. It then receives from the Comptroller of the Currency notes to the amount of ninety cents on the dollar (face value) of the bonds. The government taxes the notes one per cent per annum, which is but another name for charging one per cent. interest. The bank cannot get its bonds deposited as security except by paying to the Treasurer of the United States "lawful money" to be held in their place for redemption of the notes. The charter of the bank runs for twenty years. If the notes are not redeemed before the charter expires the United States sells the bonds and redeems the notes.

Is not this in substance a loan, no matter what technical name may be applied to the proceedings?

If I deposit one hundred dollars worth of cotton in a warehouse and the government upon it as security issue me eighty dollars of its notes to be returned any time within twelve months, charging me two per cent. interest per annum, the government to sell the cotton and redeem the notes if unredeemed at the end of the twelve months; where is the difference? None so far as the loan is concerned, although there is in the form of the note issued. But there is a great difference in this, that the government issues the note to the national bank and it taxes the citizen in the way of interest for the use of the money at such rate as it is able to extract from him. In the cotton the government loans directly to the citizen. In both instances personal property. The property of the individual is security for the loan—a U. S. bond in one case, cotton in another, and in each case the security cannot be returned until the notes are redeemed. The Alliance position is that the government should issue the money to the individual and not to corporations with power to tax the individual.

If there is any ground for quibbling over the question whether the above is a loan or not there can be none concerning the loan to the "Surplus National Banks." Mr. Fairchild, as Secretary of the Treasury, in 1857, in order, as he says, to get the money into circulation which was accumulating in the Treasury from the taxes, selected certain national banks to which he loaned the money of the government in such sums as he saw fit, without interest. The banks deposited U. S. bonds as security and they were loaned eleven hundred dollars for each \$1,000 bond deposited. This policy, although inaugurated by Mr. Fairchild, has been followed by his successors in office. The last report shows \$21,000,000 of these loans, which could have been applied to the redemption of the bonds which were contained on the first of this month.

Mr. Winson says in his report 1880 page 75: "It is manifestly unfair to the people to give the banks the use of their money for nothing while they are required by the banks to pay from 6 to 8 per cent. interest for it." Surely no further evidence is needed in this case.

Section 34 (5152), page 14, gives the Secretary of the Treasury power to designate such banks as he may choose as United States depositories. In answer to a resolution of Congress, December 16, 1890, he gives the names of one hundred and eighty-eight as "general depositories" which the government uses in collecting the taxes and settling accounts, and fifteen as "surplus," which receive money and hold it until called for, with the under-

standing that they can use it. The surplus banks are:

Table with columns: NAME, PLACE, Notes in U. S. Circulation, Deposits. Lists banks like Indiana, Indianapolis, Ind., with values.

Three times as much United States money in use as they own. To this could be added a list of the "general depository" banks, but it would require too much space. A few examples:

Table with columns: NAME, PLACE, Notes, Deposits. Lists banks like Western Bank, New York City, with values.

It was under this authority that Mr. Sherman, when Secretary of the Treasury, loaned the Chase Bank, New York City, whose paid up capital was \$250,000, forty-three million dollars (\$43,000,000) of the people's taxes.

The case of the New York Clearing House Association, of which the U. S. Sub-Treasury at New York, is a member, could also be stated, but it seems unnecessary.

W. A. GRAHAM, Machpelah, N. C., Sept. 17, 1891.

PUT THIS IN YOUR PIPE.

Main Facts and Sharp, Pithy Sayings from Reform Papers.

Will some one point out any article stored under the Alliance sub-treasury plan that is not stored now?—Southern Mercury.

It is now in order for the political bosses who bought and paid for the Alliance split to figure over their dividends.—Southern Mercury.

If John Bull keeps on gobbling up United States breweries, Americans will have to drink British beer or join the prohibitionists.—The Signal.

It is amusing to see the ex-regs and ex-dons spooning over each other. Verily the mantle of plottocracy covers multitudes of sins.—Alliance Tribune.

You ought to know that the people on the earth are in debt to-day between one hundred and one hundred and fifty thousand million dollars.—Exchange.

Corporations do a cash business, but the masses have to do a credit business on account of the small amount of money in circulation throughout this country.—Pioneer Exponent.

The height of a human being is exactly six times the length of his right foot.—Exchange. If that was true we know an editor who would be ninety-six feet tall.—The Signal.

The entire land tenure of the nation must be changed, for if not, the mortgage companies will finally own the land and the farmers will be tenants, like in Great Britain and Ireland.—Knights of Labor.

Not one single county or sub-Alliance in Kansas has repudiated the Cincinnati conference, the lying Democratic press and little country editors to the contrary notwithstanding.—Pioneer Exponent.

We are attempting to do about a half more business than we did twenty years ago with the same amount of money. Hence your farm and its products are two-thirds their former value.—The Common people.

The political bosses and their tools who have for months, maneuvered to disorganize the Alliance, can now console each other as best they can. It's their funeral, not that of the Alliance.—Southern Mercury.

It strikes us that for an organization that is going to the dogs, as the old party papers claim, the Farmers' Alliance in the South is making a deal of trouble for the democracy in the Southern Legislatures.—Edward Bellamy.

When the negro slave was sold, he was sold to some one having at the very least a property interest in him. When a farmer is sold out he is cast out on the street. Plutes are worse than slave holders and they were bad enough.—Knights of Labor.

There are said to be over 1,000,000 men in the United States who cannot get employment at any price. At the same time there are twenty thousand pauper emigrants being landed on our shores every week, and this is how our laws protect our laboring men.—Industrial Union.

The millionaires aided by their plant tools in Congress, have obtained a hold on the currency of this country and when they will it, contraction steps forth and the farmers are forced to sell their products at starvation prices. Shall this always be?—Pioneer Exponent.

A gang of bunns and tricksters from the cities with a few local politicians from the towns meet together at some place appointed by the party ring leaders, elect delegates to the State and county conventions, and call their meeting a party caucus. This is popular representation? with both feet.—Farmers' Weekly.

Wheat \$1.15 per bushel and the occupation of the currency editor and Alliance organizer is gone, exclaims a metropolitan daily.

Not much. Had it not been for the "celebrity" editors farmers would have sold their wheat at the same old price and the speculators would have reaped the benefit of the advance as in former years.—The Farmers' Weekly.

Children Cry for Pitcher's Castoria.

Sub-Treasury or Something Better

While I am an advocate and believer in the sub-Treasury plan, and do not believe there has yet been, nor likely to be anything better proposed, the opponents of the measure fail to suggest even a substitute.

It has occurred to me that the advocates of a credit basis issue might take to such a system better than a wealth basis.

I therefore suggest for what it is worth, the following: Should Congress pass an act to loan on State Bonds, say an amount not to exceed one-fourth the taxable value of the property (real and personal) in each State, at one per cent. interest or less, the States to loan in turn to its citizens at three or four per cent., it would give a sufficient volume of currency, direct to the people, without the intervention of any speculative manipulators and the profits arising therefrom would go a long way towards abolishing State taxation.

There is much that might be said for this system against the present nervous one, but enough for the present.

Turn on the light gentlemen, and let us try to give relief to the people.

The sub-Treasury or something as good or better we must and will have, if we shall kill many of our statesmen (?) in the attempt.

SUB-TREASURY ALLIANCEMAN, Raleigh, N. C., Sept. 29, 1891.

THE GRAIN SPECULATORS HAVE NOT

everything their own way, although it has not been because they have not tried to. The failure of "Deacon" White's New York firm of brokers on account of its getting too deep by those at whose expense the grain speculators thrive. "Deacon" White is the same fellow who, when a member of Congress several years ago, had a private stock-ticker placed in the House end of the capital building at Washington in order that he might take advantage of his position as a Congressman to speculate on the New York Stock Exchange. In fact it was believed that to do that was all that he went to Congress for.

CANADIAN officials must have been associating with the colony of crooks from the United States who have found asylum in that country. At least that is the natural inference when reading of the exposure of crookedness on the part of the aforesaid officials which is of late the principal subject of the news from the Dominion. Perhaps we shall soon have a colony of Canadian crooks on this side of the line. That would be a reciprocity that this country could just as well do without.

Both parties in New York have factions, the warring strength of which are this time doubtful, and if these factions should unite with the farmer and labor organizations in the support of Lieut. Governor Jones as an independent candidate, which is by no means among the impossibilities although it is said that Mr. Jones has refused the use of his name, the movement might prove a formidable one. Jones is not the sorcerer's crank some people profess him to be.

The father of the Chicago girl who has been a participant in several more or less scandalous love affairs, two secret marriages and the same number of divorces before she is out of her teens might be excused for referring to himself as the "daddy of a matrimonial cyclone," and the fellow now filling a husband's engagement to this girl will probably soon wish that he had her securely locked up in a refrigerator.

KAISER WILHELM will save himself much future mortification if he can prevail upon his anti-Queen Victoria to edit all of his public speeches, as those he recently made in England, which he insisted upon editing, are about the only ones he has made since he became emperor that he did not find it necessary to afterwards modify.

The Tennessee legislature appeared to have lacked the nerve to do what it was called together to do—abolish the convict lease system, which is a blot upon the good name of the State.

When Baby was sick, we gave her Castoria. When she was a Child, she cried for Castoria. When she became a Miss, she clung to Castoria. When she had Children, she gave them Castoria.

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Land Sale. Jewelry For What it is Worth.

Pursuant to a decree of Rowan Superior Court, I will sell at the Court House door in Salisbury on Saturday, the 24th day of October, 1891, the valuable lands of M. C. Kridler, dec'd, situate at and near Mt. Vernon, Scotch-Irish township, Rowan county. The lands have been divided into three tracts, as follows:

No. 1.—Containing 40 acres, more or less, including the Kridler Homestead, Flouring Mill, Saw Mill, Cotton Gin house, &c. Splendid water power.

No. 2.—Adjoining No. 1, containing 41 87-100 acres, more or less. No improvements.

No. 3.—Adjoining No. 1, containing 113 acres, more or less, on which is store house, small dwelling, &c., lying between Wilkesboro road, Luckey's line and Fourth creek.

Also, at same time and place, I wish to sell 60-saw cotton gin, 1 Cotton press. Terms—One third cash, balance in equal installments at 6, 12 and 18 months. Interest at 8 per cent. on deferred payments. Title reserved till purchase money is all paid. Plans and descriptions may be seen at the office of my attorney, Theo. F. Klutz, September 17, 1891.

S. H. WILEY, Adm'r and Com'r. S. A. L. JOHNSON, Main Street, opposite Postoffice.

J. W. BOSTIAN

Will have something to tell you in this space next week. Be sure that you see it.

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