

HB 539

.K39



HB 539

.K39

Copy 1

BIBLE VS. USURY.

DEDICATED TO THE
Laborers and Labor Organizations

OF
OUR COUNTRY
IN THEIR NOBLE STRUGGLE

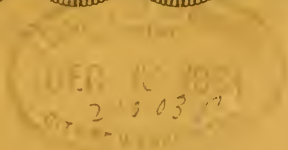
AGAINST THE
Anti-Scriptural Influence of the
CHURCHES OF OUR LAND

IN SUPPORTING
LEGALIZED USURY.

By a Christian Preacher.
Adam Dean

PRICE, TEN CENTS!

WISDOM & LUCAS, PRINTERS, BEDFORD, IOWA.



419354

1937

BIBLE VS. USURY.

"Thou shalt not lend upon usury to thy brethren. * * * Unto a stranger thou mayest lend upon usury, but unto thy brother thou shalt not lend upon usury: that the Lord thy God may bless thee in all that thou settest thine hand to in the land whither thou goest to possess it." (Deut. 23:L 20.)

The law God gave from Sinai to his colony of exslaves emigrating to the land of promise under his leadership as their king contained two anti-monopoly characteristics unlike any other national code; the proper observance of which would necessarily prevent the impoverishing or enslavement of producers by aristocratic monopolists, and forestall all unjust accumulations of wealth in the hands of the few, and secure to every citizen laborer the produce of his labor. These were the prohibition of land monopoly, and prohibition of usury which will be the subject of our present discourse.

In order to a proper exegeses of the Scripture against this crime it is necessary to have a knowledge of a just monetary system. Of this I can only outline a synopsis in this short treatise.

First, it should be remembered that our world has never been blessed with a pure democratic republic such as the Mosaic code contained in embryo, and the royal law, "love thy neighbor as thyself" enjoins upon all nations. Governments were first established by military force in which might and not right is the ruling power. Nations are ruled by kings and their few courtiers, or by a few aristocratic monopolists too generally ruling by the might of cunning and deceit, or military force in which the rights of producers are but little more regarded than as regarding them is deemed subservient to the interests of the rulers. Our christian republic in which the voice of the people is the ruling power comes nearer perhaps being a true republic than any other. But our toilers, who produce our wealth as well as our ruling classes being educated under a classic and traditional erroneous public sentiment created and controlled by the dominating chieftains of the world in the interest of monopolists, have the unjust doctrines and principles of usurers and other monopolists so entrenched in the public conscience and organic laws of our own country and other countries as a righteous thing that monopolists easily influence the producers to vote for their own enslavement to their legalized extortions.

These facts account for gold and silver being used from earliest antiquities down to the present time as a medium of exchange or money basis. However well it may have been adapted to the world's use as a medium of exchange in the early ages when all commerce was little more than a system of barter can be no indication that it has exclusive adaptability at present as money or a basis for money. It is possible that in those early ages before the origin of coined money (about B. C. 700) that the gold and silver production of the world was sufficiently proportioned to the volume of trade to answer the purpose of a medium of exchange; although it is not reasonable to suppose that they had discovered the best medium for the use of the people even of that

age, for their money was only bartered by weight. Notwithstanding we have intimation in the Bible that silver and perhaps gold also were used as a currency from the days of Abraham (Gen. 23:16) down to the New Testament age, yet no where is it enjoined in the Scriptures as a currency nor is there any intimation, direct or indirect, that it is well adapted to this end, or most expedient for this use. The simple circumstance that these metals were so long current as money is no more evidence that their exclusive use as such is right or expedient for the whole people of the civilized world, or any part of it, than that slavery and concubinage are, which were current from the days of Abraham down to the New Testament age though condemned by implication in the Mosaic code, and more directly by Christ and his apostles; yet to some extent practically tolerated by the church in those ages, or that the acquisition of wealth by the aristocracy is right or expedient in taking advantage of the ignorance or circumstances of dependent laborers in securing legislation against them in the interest of monopolists, which to a greater or less extent was practiced in all ages and still is practiced by church members and sanctioned and defended, either directly or indirectly, by the church, which evil an exclusive gold and silver money is most cunningly adapted to sustain by the power of usury. The few incidental allusions to these metals as the currency of nations in all ages which we find in the Bible and other books, so far are they from being any evidence of their adaptability as an exclusive currency for the ends of justice and expediency that they afford a presumptive evidence of no little weight that it is a most shrewd devise of the capitalists (who have always been the rulers) and sustained by them in honor through the ages by which they covertly extort usury from the producers by the power of government; for on the exclusive gold and silver money system capitalists of all nations in all ages have secured financial and other legislation to a greater or less extent in their interest and against the laborers, whom, even among the nations of highest civilization, they reduce to the most abject poverty and slavery, while they are immensely enriched as the result of unjust laws and social adjustment. The injustice that the monetary system of the world enables the few to practice upon the many who create all exchangeable values gives evidence of the imperative need of a better system.

In order to an understanding of the imperfections of the existing monetary system and what a correct monetary system must be we must always bear in mind these principles in relation to the true functions of money:

First, money is simply an instrument to effect exchanges with, consequently its true value as money is not in its intrinsic worth as a commodity; but its pure monetary value is extraneous to the material composing it. This is evident from the fact that if gold and silver were demonetized by all the nations of the world, and one man or company owned and monopolized the whole of it, and its production, he could not raise the price of it much above the price it would be were it distributed among many competitors. For the world does not need it to supply any of the necessaries of life. And did all live in the humble style of most of the laborers who create the wealth of the world there would be no demand for it; it would be a drug on the market, not as valuable as paper. Those selfish and proud people, who, contrary to Scripture, and an obsolete rule of the M. E. church (although remaining a dead letter in her discipline which no minister can enforce) "adorn themselves with gold, pearls and costly array," (Tim. 2:9) create the demand for gold and silver as a commodity, and not those who live as Christ and his disciples live, and as Agur prayed,—“Give me neither poverty nor riches; feed me with food convenient for me.” This metallic commodity money is such “a root of all evil [all the evils of monopoly]” and like alcohol can innocently be indulged to such an insignificant extent that our ecclesiastical temperance army, which is such a potent factor in politics, cannot consistently work for the entire legal prohibition of alcohol without working equally hard for the entire legal prohibition of the greater evil; namely, the exclusive use of gold and silver as a money basis. But did any one man or company of men own and monopolize iron or breadstuff, and its production they could raise the price to any desirable height, and become masters of the world, because these commodities are so highly useful they would be compelled to pay any price rather than do without them.

Secondly, all money whether gold, silver or paper, is merely a full legal tender due-bill issued by the government to the laborer in acknowledgment of the amount of service performed by him for the good of society which he accepts on the credit of the government that society in return will receive it back in exchange for any labor or its results that he may desire. These bills derive their worth from the wealth or taxable property and integrity of the nation issuing them just as any negotiable note derives its worth from the wealth and integrity of the drawee, and not from the worth of the material composing them. This is evident from the fact that if all the gold and silver coin of all nations were destroyed to-day and the same amount of legal tender notes issued by government substituted each dollar of the paper currency would have the same value that the gold and silver now has, and no more real intrinsic value to the toiling masses would be destroyed than if so much paper had been destroyed, and the only effect on the business of the world be supplying it with an equally valuable and much more convenient and advantageous currency. Consequently all money derives its value purely as money from the stamp of government. Our Master recognized this principle of political economy in a reply to the treacherous committee of Herodians and Pharisees who came to ensnare him by drawing from him an expressed decision on a political question between them, when he said, "Show me the tribute money, and they brought unto him a penny, and he saith unto them whose is this image and superscription? They say unto him Cæsar's. Then saith he unto them, render therefore unto Cæsar the things that are Cæsar's, and unto God the things that are God's, [make due returns to Cæsar for the money value which the penny derives from the stamp of his image, and make due returns to God for values derived from the stamp of his image.]"

The United States Supteme Court said, "Whatever power there is over the currency is vested in Congress. If the power to declare what is money is not in Congress it is annihilated."

Thirdly, the value or purchasing power of money is governed by the ratio of its volume to the volume of exchanges or uses for money. Suppose the volume of exchanges in a given community to be equal to fifty millions annually, and the volume of currency one million dollars. Now if the volume of exchange increases to a hundred million without any increase in the volume of currency the value of every dollar is doubled, and the value of commodities falls to one-half the former price. Or if the volume of exchanges remains the same, and the volume of currency be diminished to one-half million the value or purchasing power of money is doubled, and the prices of commodities falls to one-half their former value. Or if the volume of money be doubled without any change in the volume of exchanges, or, if the volume of money remain the same, and the volume of exchanges be diminished one-half, the prices of commodities in either case are doubled.

Fourthly, all wealth is produced by labor applied to land (land in political economy includes all the forces of nature, as water, air, &c.) In all exchanges the price of an article should never be more than the cost of production, including a fair remuneration for effecting exchanges. Thus, if a hundred pounds of fish could be procured by a day's labor, and only twenty-five pounds of venison, men would exchange, not pound for pound but labor for labor; that is, at the rate of four pounds of fish for one of venison. I know political economists claim that it is just, and it is generally so considered, and it has the sanction of law and custom to charge all above the cost of production, including just remuneration for the labor of effecting exchanges that articles of necessity that are scarce will bring in the market. But this is only taking advantage of purchasers necessities to extort an unjust price for commodities. We admit that in as much as sellers having an over supply on the market of any commodity are sometimes compelled to sell at an abnormal low price, by way of compensation they, perhaps, should be allowed temporarily to charge a slightly abnormal high price when scarcity creates an abnormal demand. But this is only one necessary injustice approximately compensating another. It does not affect the point we are discussing. Charges above cost including the labor of exchange is the principle of monopoly. Its injustice is more apparent when the same principle is exhibited on a larger scale.

Suppose a company of men to own a rich store of provision in a country ex-

posed to a long continued famine like the ample stores of Egypt laid up by the miraculous foresight and providence of Joseph against the seven years famine the owners of the provisions could extort from the people, not only their cattle and lands as Pharaoh and Joseph did from the Egyptian laborers in exchange for bread to save their lives, (Gen. 49:13—31) but they could so raise the price of their commodities above the normal rate that they could buy them and their families into perpetual slavery by acting on this unjust principle of charging above the cost of production all the market will bear when the purchasers necessities compel them to purchase at any price. It should be understood that what we mean by cost of production is the average cost, or amount of labor required to produce the article. Some might produce the same article with much less labor than others. They would be fairly entitled to the superior productiveness of their own labor in receiving a price above the labor cost to them. Again, articles might be produced by much less labor sometimes when sold than when first produced, or in some cases it might require more labor to produce them. The average amount of labor required to produce them when sold should gauge the value invariably. All sellers who take advantage of purchasers necessities to extort excessive prices are extortioners whom Paul teaches cannot inherit the kingdom of heaven (1 Cor. 6:10.)

Now I claim that gold and silver are like polygamy and slavery indirectly, but none the less clearly and positively condemned by the Bible as well as sound reason as an exclusive money or basis for money in the increased and constantly increasing population and exchanges in the civilized nations of the present day. Because its value has not kept pace, and cannot keep pace with the increased exchanges or needs of money so that any kind of prohibitory usury laws, however well enforced, can prevent the money owners from doing injustice to borrowers, as those who need to borrow, either by excess interest-charges, or by refusing to lend. Consequently, the whole history of the world demonstrates the utter failure of all laws ever passed against usury in any nation where gold and silver are used as an exclusive money (unless the Israelite nation is an exception) to even retard, to any considerable extent the encroachments of the money owners upon borrowers by the unjust purchasing power it acquired by the ever increasing volume of exchanges. Thus making money monopolists the rulers of nations.

We repeat that the simple fact that it could be made a suitable medium of exchange to meet the ends of justice in carrying on the limited exchanges of the Israelites in their peculiar circumstances, in which each citizen had an equal inalienable land inheritance, and lending for speculation and gain had no existence, and all interest charges were entirely prohibited, and debts released every seventh year, is no evidence that it can be made now to answer this end in the existing altered condition of things either by abolishing interest or not abolishing it.

In order that money be a just standard of value its volume should bear a uniform ratio to the volume of exchanges, or in other words its supply should bear a uniform ratio to the demand. For instance in the countries using silver and gold exclusively as money in a given year the cost of producing and effecting the exchange of a bushel of wheat be equal to the cost of producing and exchanging a dollar then a dollar is the normal price of a bushel of wheat, and a bushel of wheat is the normal price of one dollar. But, if another year the same labor produce but half a crop as in partial failures which frequently occur, and the demand for wheat remains the same wheat will rise to two dollars per bushel; because it requires the same labor to raise and exchange a bushel of wheat that it does to produce two dollars. But again suppose a full crop be raised the same as the first year but the second year the needs and demand for wheat be doubled, other things remaining the same, wheat rises to the same price as though but half a crop had been raised, and there had been no increased demand regardless of the cost of production. Now the cost of producing a gold or silver dollar is the same one year that it is another, but as population and exchanges are continually increasing and doubling they continually increase and double the need and demand for money whose gold and silver quantity remains the same, or but little increased each year consequently it is continually increasing and doubling in price and cannot maintain a uniform value (property price or what it will bring in the market. Price is of-

ten an abnormal value, so as to render it a just standard of value.) Its advantages are wholly on the side of those who own it, or monopolize its use as a currency.

But, it should be remembered that although it makes no difference what the value of the material is of which a nation makes its money any more than it does the value of the material composing its yardstick or its bushel, the length of the one and the capacity of the other constituting them correct standards of measurement, yet money must have extrinsic representative value in order to be money, (and have consequent capacity to draw interest) and be a standard expression of value. It is true we need a money to perfectly meet the ends of justice that is a perfect measurement of value. But as it is impossible to so regulate the supply and demand of the commodities measured by the yardstick and the bushel that they will, or can measure commodities of the same kind of invariable and uniform value at all times like they measure length and capacity so it is impossible to make any metallic, any more than a vegetable production a just measurement of value based solely on its value as a commodity. The rate of interest that money can draw determines its value. This should be invariable and uniform, and on an equality with the gains of labor at all times. The best monetary system that human sagacity can ever devise can only approximate this; but it may be closely approximated, and practically deliver the industrious and enterprises of the civilized world from the exclusive gold and silver monetary swindle which has oppressed them through all past time by the nefarious extortions of usury. We therefore maintain that, instead of attempting to adopt an exclusively metallic currency based on its commodity value that can meet the ends of justice in carrying on the trade and commerce of the world by either regulating by legal enactment the rate of interest it has capacity to draw, or by the legal prohibition of all interest as under the barter monetary system of the Hebrew Theocracy in that partially civilized age, government can adopt, and is under the highest obligation to adopt a money which always has capacity by a proper adjustment of the supply to the demand to draw a just rate, but can never have capacity to draw usury which we define, an unjust rate of interest. This would obviate the necessity of prohibitory usury laws, and adequately supply the people with the best medium of exchange ever known to the world. This can be effected by the government issuing all money of paper material, and supplying the people with it at $1\frac{1}{2}$ per cent. per annum interest, (which is equal to the average gains of labor) on good security. The government should provide too against its becoming valueless by a redundant issue by receiving on deposit in its treasury its own money at $1\frac{1}{4}$ per cent. per annum interest if ever any money owners could not find a more profitable investment for their money. Other plans might be adopted to prevent over issue or depreciation of value therefrom, but we suggest this as the most expedient in our judgment.

We do not accept the definition of usury given by our standard literary authorities, and sanctioned by the Protestant Churches of the present day which the people are educated from childhood to believe; namely, that usury is unlawful interest. The absurdity of this definition is manifest from the following considerations:

First, no one can contend that theft, lying, adultery, or usury, which the Bible classes together as of equal enormity, is made unjust and criminal simply by its being prohibited by the Bible and civil laws; but it is self-evident that these acts are necessarily and inherently unjust and criminal in their nature and essential principles, and cannot but be so where there is no Bible, or civil law prohibiting them, neither can they be made just or less criminal by being sanctioned or even enjoined by law. The Bible condemns them, and civil laws should condemn them *because* they are unjust and criminal in order to prevent their injustice and criminality.

Second, Jno. Wesley in the general rules of the M. E. Church defines usury to mean unlawful interest, which voices the sentiment and teaching of modern christendom in relation to the meaning of usury. But this is an innovation against the plain teaching of the Bible, and teaching and practice of the primitive church. Dr. Wayland in his Elements of Moral Science, which is a text book in many colleges says, "The rate of interest should not in any case be fixed by law." Therefore were Wesley's definition correct usury could only

be the violation of a law that Wayland deems unjust; and were Wayland's theory correct he would confine us to an exclusive gold and silver money basis, and contrary to the plain law of God in the Scripture sanction and authorize by the law of Church and State any kind of usury charges that the money market would bear. Webster in his unabridged dictionary says, "*Usury* formerly denoted any legal interest; but in this sense the word is no longer in use." These facts only show how irrational the conclusions often reached by great and good men, who are standards of authority in the religious, literary, and political spheres when environed with an erroneous public sentiment, especially when discovering and teaching the truth subjects them to persecution and slander as it did Christ, and his Apostles, and the reformers who exposed the errors and crimes of the Romish Church, and now does the preacher as well as the statesman who, "Cries aloud, spares not, lifts up his voice like a trumpet, and shows God's people their transgression and the house of Jacob their sin" in sanctioning and upholding usury, and the criminal monopolies that rob the people of their rights.

I am aware, too, that the position I take is at variance with the theory of Rev. D. Oglesby and other reformers who maintain that all interest and rent should be entirely abolished. I admit, however, that they are correct in relation to the Mosaic code forbidding all interest charges to citizens and the ends of justice requiring it in the condition of their country and government with their monetary system. But I do not deem that demonstrative evidence that in no case whatever it can be just to allow interest charges. I maintain that usury in the Bible sense is unjust interest, and that in their peculiar circumstances justice would not admit of interest. The prohibition of usury in the Mosaic code was designed mainly, if not solely, to forestall the possibility of a money monopoly power of extortion the same as the inalienable agrarian land division was designed to forestall the possibility of a land monopoly power of extortion. The Mosaic code was given to Moses by the Angel of the Old covenant who is Jesus Christ the coming King of all nations, and was most wisely adapted to the people with their errors in that age of ignorance to prevent poverty by forestalling monopoly, and relieve what might occur under equitable laws. The prohibition of usury would not have prevented the extortions of money monopoly had not the same law that forbid usury enjoined every capitalist "to lend to every needy borrower sufficient for his need in that which he wanteth." (Deut. 15:8, Ps. 37:26 and Ps. 112:5.) To prevent monopoly and bring the Hebrews on an equality in the equitable distribution of wealth with their gold and silver monetary system in addition to the prohibition of interest the principal of all debts was released every seventh year. (Deut. 15:112.) To refuse to lend to a needy citizen, to strike bargains, or conduct a business for purposes of gain that unjustly affected others or worked to their disadvantage came virtually and really within the meaning of usury. It should be remembered that the permission given in the Mosaic code to charge interest of foreigners was only tolerated like polygamy on account of "the hardness of their hearts," or prevailing national prejudice against foreigners among all nations in that age (it was expressly forbidden when they were poor and fallen in decay Lev. 25:33-38) and designed to terminate when all people shall be brought equally into full citizenship under the universal reign of Christ. The fact, too, that when foreigners were "poor and fallen in decay" usury charges were forbidden is unmistakable evidence that the prohibition of usury was not merely a charitable provision for the poor and unfortunate, but that it was required by equity that no citizen borrowers might suffer injustice from creditors. It is pre-supposed however that borrowers were really needy and borrowed only of those who had to spare.

We should not fail to understand the heinousness of the crime as set forth in the Old and New Testament. Over four centuries after the Angel of the Covenant gave the law from Sinai against usury, the Holy Ghost by the mouth of David the royal type of Christ, in the fifteenth Psalm, classes the usurer with the liar, slanderer, evil-doer, maligner, and the judge who takes bribes against the innocent. And again over eight centuries after by the mouth of Ezekiel (18:10—13) the usurer is classed with the murderer, idolater, violent oppressor which are all alike condemned as capital crimes. Ezekiel again denounces it as extorting and dishonest gain. (Ez. 22:12—3.)

About fifty years after Ezekiel's denunciations against the usurer, in the days of Nehemiah when he was building the walls of Jerusalem, in time of dearth, the nobles and rulers, who from the income of large salaries had an abundance of money to lend, and all sorts of other commodities to sell, took advantage of the time of general scarcity as usurers do to violate the prohibitory usury law, and extort interest from their needy subjects at 1 per cent. a month, 12 per cent. per annum (Neh. 5:11) and demanding real estate mortgage security, and even bought some of them into slavery. When under these intolerable oppressions, their complaints came to Nehemiah he rebuked the nobles and rulers, and raised a popular assembly against them (Neh. 5:7) which humbled and reformed them, and they could only hold their offices by restoring all the usury of every kind which they extorted from the people to them again, release all their debts, and take an oath authoritatively administered by the Priests, to obey the law, which they, no doubt, faithfully observed during their lives. (Neh. 5:1-13.)

When Moses foretold the coming of his Antitype, "a prophet raised up from among their brethren like unto himself," he meant like himself as a king and political reformer of nations destined to the kingship of the whole world; and, Moses commanded them to hear him as they heard him when he gave their national code to him from Horeb. for the people. (Deut. 18:15-18 &c. Acts 3:22-26.) Jesus cautioned the people to "think not that he came to destroy the law" [which he gave from Sinai] or the prophets, but said "I am not come to destroy but to fulfill [to complete, to perfect, the opposite of abolish.]" (Math. 5:17.) It is obvious that Jesus came to destroy no law in the Mosaic code that the purposes of justice required, but enjoined more perfectly the principles of justice and benevolence on the part of lenders and creditors to borrowers and debtors, and said, "Do good, and lend, hoping for nothing." * * * "Give to him that asketh thee, and from him that would borrow of thee turn not thon away." (Lu. 6:35, Math. 5:42.) Thus we see the spirit and principle of justice and benevolence more perfectly developed than it was in the Mosaic code is peremptorily enjoined in the gospel upon all persons and nations.

The primitive christian church it seems condemned all interest as usury until the protestant schism, and the Roman church continue to hold this theory in their doctrine, at least, until this day.

We will now consider the different condition of existing countries and governments which give rise to the justice of limited interest charges in certain cases:

First, the methods of gain and speculation in our own and other countries often enables the borrower to invest money borrowed at a high rate of interest so as to realize greater returns from it than the interest of the lender. I know that these methods of gain are generally unjust. But in as much as they have the erroneous sanction of law, and the public sense of right the lender does no injustice to the borrower to charge him all his money will bring in the market.

Second, the increased and extensive commerce of the nations of the world to-day requires a different money, more conveniently carried and handled, and of more extensive volume than the precious metals in use among commercial nations in order to the requirements of justice, and to provide such a currency and adjust its volume to the needs of exchange so as to maintain a uniform value I regard equitable interest as a necessity and required by a principle of justice.

Third, I regard the entire prohibition of all interest in the Mosaic code necessitated by their defective monetary system. Their mineral commodity money would naturally and necessarily have an interest bearing value high or low according to the demands of trade for a medium of exchange if interest was allowed to be charged. This would soon result in the interest on money absorbing the wealth of the country in the hands of the few. And as this money could not be so proportioned to the volume of exchange that people could be supplied with money at a uniform and equitably low rate of interest it made it necessary to prevent unjust interest to prevent all interest. But we do not understand that the prohibition relates to a just monetary system in which the money is a just measure of value with a uniform and equitable

rate of interest on an equality with the gains of labor.

The worst form of usury resulting from our usurious monetary system is created by bankers contracting the volume of money when it suits their interest to do so and proportionately increase its value (price) and in the same proportion decrease the price of other commodities whenever it suits the interests of our bankers and bond holders to do so, and also, by increasing the volume whenever they see a gain in raising that end of the scale.

This dishonest practice of our monetary system is precisely the same in principle as that practiced in the church by her members in the days of the prophet Amos, a poor laboring herdsman, raised up of the Lord at a time of general peace and prosperity in both Judah and Israel which as in the christendom of to-day only gave occasion to luxury, pride, vanity, injustice, and crime which he thus denounces: "Hear this, O ye that swallow up the needy, even to make the poor of the land to fail, when will the new moon be gone that we may sell corn? and the Sabbath that we may set forth wheat, making the ephah small and the shekel great, and falsifying the balances by deceit? that we may buy the poor for silver and the needy for a pair of shoes?" (Amos 8:4-6.) To increase the purchasing power of the shekel or dollar by contracting the volume of currency so that a large quantity or weight of commodities can be bought with it is precisely the same in principle and effect as "making the shekel great and the ephah small, and falsifying the balances by deceit so that the capitalists buy the poor [into slavery or servile dependence equal to, if not worse than chattel slavery] for silver and the needy for a pair of shoes." The only difference being that these Jewish capitalists were land monopolists who sold staple commodities to poor and needy laborers by under-sized standards of measure, and weighed the money received in payment by balancing it against an oversized shekel and thus robbed them of their earnings while our usurers are money monopolists who lend money when its volume is great and value small, but receive interest and principal in payment when its volume is small and value great which volume and consequent money value is under their control. With our monetary system by contracting and expanding the volume of currency in circulation, not according to the needs of exchange, but to suit the extortioning gains of bankers and bondholders is fast reducing our already impoverished laboring classes to the helpless state of slavish dependence that capitalists did the poor and needy laborers in the days of Amos in Judah and Israel, and this, too, under the illusive guise of "honest money."

How shamefully honest debtors were swindled by the specie resumption act when the volume of currency in the United States was reduced by it from about two billions to about one-half billion. Simultaneous with the passage of the act the usurers of our land, wide awake to its effect in enhancing the value or purchasing power of their money fairly flooded the country with their offers of money to lend at from seven to ten per cent. interest on first mortgage real estate security. Our laborers, sons of our noble yeomenry, who by honest toil create all of our wealth by labor applied to land seeing our free and cheap lands being fast taken possession of, and largely, too, by land monopolists, and its price fast rising above the reach of the poor laborer which must forever end the hope of our country as an asylum for the poor and home for the oppressed, in a praiseworthy effort to secure a homestead with comfortable improvements borrowed this money in good faith at the usurers rate of interest; but, when pay day came, and long before in many cases, each dollar with which they pay interest or principal possessed several times the value of the dollar they borrowed in consequence of the government having demonetized about three-fourths the volume of currency which it created by demonetizing silver, destroying greenbacks, &c. Notwithstanding we have no specie basis or exclusive specie money as the Jews had; for our monopolistic rulers found that the contraction of the volume of currency to specie as a basis would so severely oppress the many laborers of our country that it threatened the exposure of the time-honored exclusive gold and silver money basis delusion by which in all the past, in all countries, monopolistic lords more than by armies have robbed and oppressed the laboring masses. Consequently they virtually remonetize in full the remaining greenbacks in circulation—three hundred and forty-six million—and declare specie resumed

which restores the credit of our currency, which is all there is of the specie resumption fraud. Had it not been for their partial demonetization in the exceptions to their legal tender property—interest on the public debt, and duty on imports—with a view to destroying their money value, they would have remained at par with gold from the time they were issued through all time. But the effect upon the honest debtor class is they are robbed of their earnings in some cases their whole farms with the improvements simply by the dollar borrowed being small in value, and the dollar when pay day comes, in some instances three times greater in value than the one borrowed besides the interest paid annually constantly increasing in value. Our monetary system based on gold and silver interest bearing bonds will be subject to similar ruinous fluctuations in the value of its currency in circulation as suits the interests of our moneyed aristocracy long as we have a currency based exclusively on the two precious metals, which have furnished a currency most craftily, and successfully adapted in all countries to secure monopolistic denomination over the laboring masses.

I cannot in this short essay give the comparison of the gains of labor with interest gains as presented in Edward Kellogg's new monetary system (while we advocate his monetary theory as correct in its general principles we do not endorse all the arguments he uses in its favor, but no American voter, especially laborer, should fail to read the book,) in which he demonstrates that it does not exceed one and one-half per cent. per annum. Suffice it to say, no one can call this in question. We claim that all money should have a labor basis; its value should be gauged by labor, and in order to this, and to remedy the injustice of our present monetary system its rate of interest should be uniform, and correspond to the gains of labor. Then usury would be prevented by government supplying the people with a money based on the credit of the government issuing it in a way that it could not have capacity to draw usury, neither could it fall below a just standard of value to any considerable extent so as to do injustice to any one. For the rate of interest that money can draw determines its value, and on the plan we suggest the government would give out its paper at a just rate, and receive its own paper on deposit at an approximately just rate of interest to prevent injustice resulting from a decrease in value by an excessive issue. In England, after business had been paralyzed by maintaining interest at exorbitantly high rates, money has been lent at even lower rates than one and one-fourth per cent. and still possessed purchasing power sufficient for the needs of exchanges.

The pulpit, public schools, and the two dominant political parties of our day instead of their instructing voters in the stealthy power of usury to appropriate the earnings of labor to idle usurers teach the opposite, and denounce a money that has not capacity for usury as worthless; but I thank God that many of our sons of toil are discovering the fraud by which they are enslaved, and are making strained efforts to save labor from the irretrievable thralldom to which it is reduced in the old world.

I cannot in this short treatise exhibit at length the injustice of usury, but I will present a few facts that will clearly demonstrate that it is one of the worst covert means of stealing the earnings of labor under the sanction of law and misguided popular sentiment in church and state that ever afflicted the world.

"If the borrowers pay interest half yearly at the rate of one per cent. per annum the amount doubles the principal in about seventy years; and at three per cent. it doubles the principal in less than twenty-four years, and at six per cent. in less than twelve years; and at seven per cent. in about ten years. One dollar loaned at six per cent. per annum, the interest collected and reloaned half yearly for a period of three hundred and sixty years will accumulate the sum of \$1,073,741,824, which is more than the assessed value of the whole state of New York; while the same dollar loaned at one per cent. and the interest collected and reloaned in the same manner for the same period will accumulate little more than \$37. * * * The legal interest in the state of New York is seven per cent., and one dollar loaned at this rate for three hundred and sixty years would accumulate a greater sum than the valuation of the whole United States. Suppose a foreign nation should lend to the government of the United States \$100,000 at seven per cent., on condition that

our government should give her bonds half yearly for the payment of the interest, and the sum should accumulate for a term of three hundred and sixty years it would amount to \$6,971,947,673,600,000. However prosperous our people might be they could not pay the debt; for the amount is more than the valuation of the property of the whole world."

"One cent placed at compound interest at the beginning of the christian era at six per cent. per annum amounts to a quatordecillion in April 1858. That we may have an idea of this vast sum let it be observed that one per cent. per annum of it is over three hundred decillion of dollars. A cubic foot of gold weighs 1203 pounds, and is worth \$350,000. The number of cubic feet in the earth is forty sextillions, and if it was solid gold, would be worth fourteen octillion dollars. This interest for one second of time would be worth more than twenty million globes of gold as large as the earth!" This the accumulation of but one cent at a low legal rate. Our bankers and brokers often lend at from 10 to 20 per cent. per annum. But who cannot see the intolerable injustice of even six per cent? When our lands are all occupied, and our country becomes as densely populated as England, even with wages at the minimum rates of the pauper labor of England, then money cannot draw over 3 or 4 per cent. (3 per cent. is the average in England) for when laborers cannot have access to lands of their own they cannot bear a greater interest burden. Our wealthy usurers borrow their money now at these rates.

The policy of our Lord's government over his chosen nation discouraged contracting debts; he gave laws against creditors exacting usury of borrowers, and enjoined the release of all debts to citizens every seventh year. One of his wisest Kings taught that, "The rich ruleth over the poor, and the borrower is servant to the lender." (Prov. 22:7.) But how opposite the policy of nominal christian England and the United States as well as other states of christendom. England borrowed an enormous sum of money of its wealthy citizens, which it expended in wars. This national debt amounts to about \$4,000,000,000. She has passed a law to never pay the debt. Her creditors do not want it paid, because the borrower is servant to the lender; therefore in addition to receiving \$120,000,000 interest annually, at 3 per cent. they rule the nation reduced to a servile dependence on them by the power of their money. Their pauperized laborers must pay this interest by an annual tax on their products from which they receive no benefit, but increase the wealth of their tyrannical lords which only adds to their own burdens. The U. S. is following in her wake with a similar monetary system whose adaptability to support aristocracies has demonstrated its right to be entitled the aristocratic monetary system. She has a national debt of nearly two billion which the politicians of the dominant parties are adroitly and so far successfully, trying to perpetuate as in England for the benefit of usurers. The rich lords who control legislation in the interest of their monopolistic schemes are making millionaires by the thousand and paupers by the million and fast creating the extremes of wealth and poverty found in the old world. "The present indebtedness [of every kind] in our country is not less than \$22,000,000,000. The annual interest on this [at 6 per cent.] is \$1,320,000,000. The average receipts of the wage laborers of our country, including farm hands and skilled mechanics is not to exceed one dollar per day for three hundred days in each year. Divide the sum of the interest paid by three hundred—the average pay of the wealth producers—and we have the number of men whose labor is required to pay this interest, which is four million four hundred thousand, or considerably over one-third of the able bodied men in the nation. Four million four hundred thousand of the people working all the time to pay this interest means that another four million four hundred thousand shall divide with them their own pitiful income of three hundred dollars per year. As three hundred dollars will not give to two for a year even sufficient clothing and food the children must be sent to the factories to help eke out the income. Year by year the debt increases, and year by year the increase in the number of these children grows in the same proportion."

"This truthful expose of England's debt, in *London Justice* is just as applicable to our national debt which was thrust upon us by a former generation.

'It is an old political maxim of nearly 200 years standing that taxation

without representation is tyranny, yet the very existence of a national debt involves the taxation of generations yet unborn, for whom it is physically impossible to have any voice whatever in the imposition of the taxation necessary to meet the interest of the debt. The debt is then a clear violation of the plainest political maxims on which our present political system is said to rest. It is the dead governing the present, the present legislating for the future, the past arranging for the plunder of the present and the future."

Notwithstanding the plain teaching of the Bible against usury and extortion, and the severest denunciation against these vices we are to-day in this christian land ruled by usurers and extortioners. Although the church and ministry are professedly against these crimes yet like their professed opposition to chattel slavery in our Southern States in ante-bellum days whose white-wash opposition to the nefarious institution was its main support so our clergy and churches are the strongest bulwarks supporting usury and monopoly. (I speak of the clergy as a class and the churches as organic bodies admitting the exceptional few in each which oppose these evils as we do.) Notwithstanding their opposition to Bible truth and sound political economy the truths of the Bible are our strength, and its promises our hope. When the Antitype of Moses came to fulfill the law, he came from among our brother workmen, a poor peasant carpenter. In establishing his kingdom he found the same spirit of antagonism in the rulers of the church to the pure truth of the Scriptures which they professed to believe and obey that we find existing to-day. The wealthy and fashionable controlled the church. The clergy and ruling spirits denounced Christ and thrust him out as a fanatical impostor because of his identification and affiliation with the toiling common people who heard him gladly. His example and precepts as a preacher and worker in their interest against injustice and oppression which gladdened the common people condemned the aristocracy in church and state and incensed them to martyr him. But his example and precepts still live, and by his divine power as our Great Grand Master Workman are destined to dethrone capital, and enthroned labor and godlike manhood as the ruling power of nations instead of money or brute force. May his kingdom come, and will be done on earth as it is done in heaven.

[COPYRIGHTED BY THE AUTHOR, 1884.]

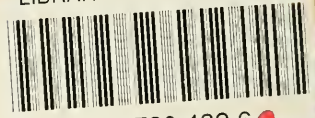
ERRATA.

On page first in third line of fourth verse there appears a small l in the word love, which should be a capital L. On page second, fifteenth line, in last paragraph the word live occurs, which should be lived. On page third, first line in second paragraph there is a t, which should be an r. On page fourth, twenty-seventh line, first paragraph, appears the word as, which should read or; on same page, in same line the word excess comes in, which should be excessive. Also, last line in last paragraph, same page, it reads property, which should be properly.





LIBRARY OF CONGRESS



0 013 730 432 6 ●