The Untold Story of The American Struggle Against The Money Power

It all Begins with

The Mixed Moneys Case of 1604. . .

The World Famous
Mixed Moneys Case of 1604. . .

drew upon the whole body of learning left by the ancient and renascent world, including that of Aristotle, Paulus, Bodin and Budelius, and was supported by the Roman Law, the common law and all related statutes:

"Money was a public measure, and like other publik measures it was necessary in the public welfare that its dimensions or volume should be limited, defined and regulated by the state. Whatever material the state declared was money was money."

Enter

The East India Company

The East India Company was created by charter from Queen Elizabeth in 1600 using treasury funds to provide financial and military support to help these merchants establish trade on behalf of England in the East.

Original name: Governor and Company of Merchants of London Trading into the East Indies

The Mixed Moneys Case of 1604 alarmed the merchants of London (many of whom were shareholders in the East India Company)

so much so that they occupied themselves for more than half a century to defeat its operation.

Resorting to bribery and other forms of subterfuge, these merchants succeeded with the passage of the Mint Act of 1666.

One of the main arguments for passage of this act was supplied by the British East India Company ---

who were anxious to ship silver to India in exchange for gold, affording a profit of 100% or more.

The Mint Act of 1666, aka the “Free Coinage” Act. . .

“altered the monetary systems of the world and laid the foundations for the metallic theory of money.”

In so doing it surrendered the State prerogative of money into private hands and nullified the decision of 1604 in the Mixt Moneys case.

The Mint Act enabled the merchants of London to increase or lower the stock of money in the kingdom and by this means to raise or lower prices, at pleasure.

Whenever they wanted to raise prices, they had only to deposit their bullion at the mint for coinage and, when coined, to loan it out freely, which they took care to do only upon ample security.

For the purpose of streamlining the loaning out of their bullion, the merchants of London got together with London bankers to persuade the Crown to establish the Bank of England as the bank of issue for the nation's money a few years later, in 1694.

Thereafter, whenever the money power desired lower prices, they had only to call in their loans and sell their coins as bullion, either for use in products at home or - if the profit was higher - for export.

Henceforth, all of England's money was borrowed from private banks at interest with repressive taxes laid upon the people.

American colonists were very familiar with the Mixt Moneys Case of 1604 and early on began issuing their own colonial scrip.

In fact, the monetary principles laid out in the Mixt Moneys case of 1604 had more to do with the relations between England and her Colonies than any other ideas which influenced them.

And it had to do with the main cause of the Revolutionary War.

The influential London merchants and bankers – fearful of losing their cash cow - could not permit the colonies to have their own monetary system.

So, the English government, at the behest of the London merchants and bankers, sent orders to America to put down colonial money and enforce the falsely named “national” (but really private) money.

The British Parliament passed Currency Acts in 1751 and 1764 to regulate colonial paper money.

These measures created such a backlash that in 1773 the Parliament passed “an act to explain and amend the 1764 measures.”

As per the amendment, the colonies would henceforth be able to issue paper money *"for the publick Advantage and the money could be made legal tender to the publick Treasuries in payment of taxes and other duties."*

This amendment, reflecting as it did the principles of the Mixt Moneys case, caused the "money question" to be left off the list of grievances contained in the Declaration of Independence . . .

But it was too little too late, especially in view of the Tea Act of that same year.

The Tea Act was designed specifically to help the government bail out the floundering East India Company, which by then was a key actor in the British economy. The Tea Act allowed the East India Company to unload millions of pounds of its unsold tea into American markets, *undercutting the profit-making ability of local producers and destablilzing the colonial money system*.

The Boston Tea Party followed on December 16, 1773.

A year and a half later, on July 4 of 1776 the Declaration of Independence was adopted by the 2nd Continental Congress, after a committee edited out Jefferson's complaint against slavery from the list of grievances against the king.

The complaint against Britain's various attempts to ban colonial currencies was made mute by the 1773 Amendment to the 1764 currency act and therefore was also not included in the lists of complaints lodged against the King.

During the American Revolution, the colonies became independent states. As such they all issued their own paper money to pay for military expenses, totaling about $200-220 million.

However ---

Not only did some states value their currency differently than that of neighboring states - but some states refused to accept currency from other states.

In addition some of these unpatriotic states passed laws that were actually unfriendly to the Continentals that were being issued simultaneously by the Continental Congress.

The Continental Congress also issued paper money during the Revolution, known as Continentals, to fund the war effort, totaling about $200-240 million.

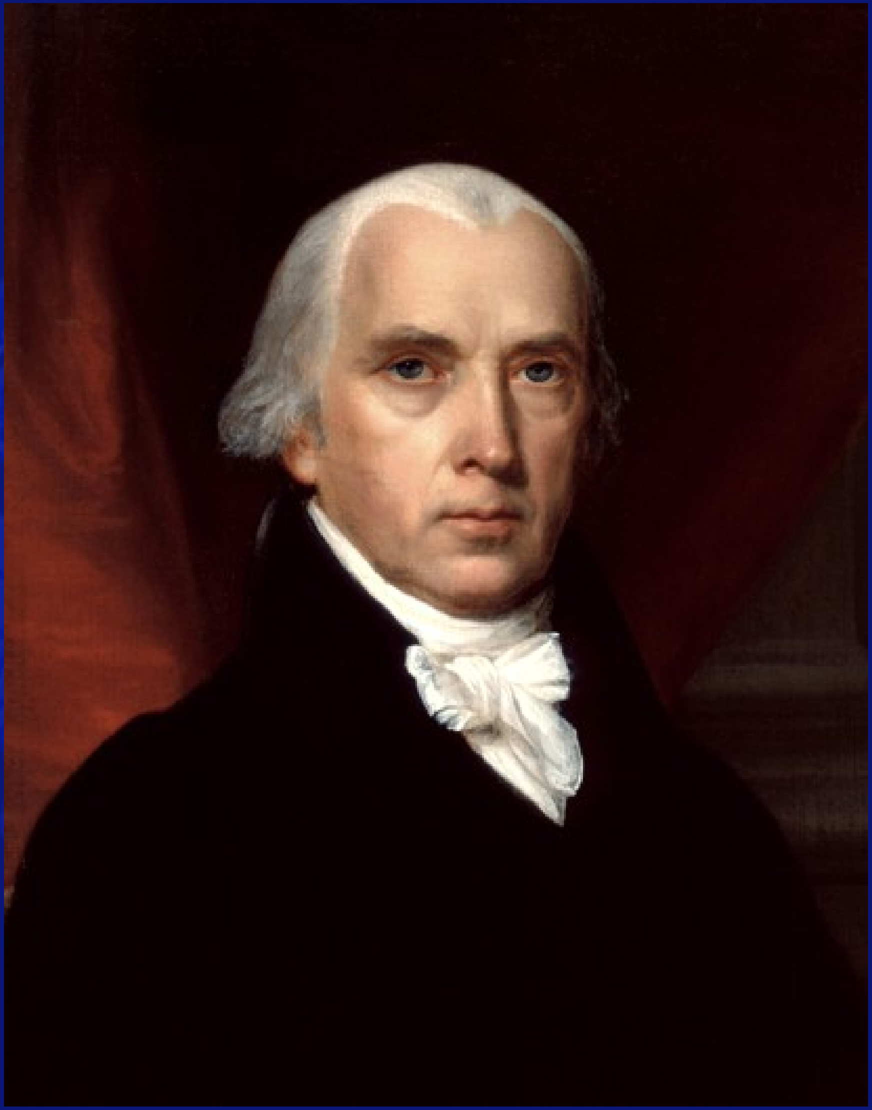
AND . . . At the exact same time that the states *AND* the Continental Congress were issuing their various currencies . . .

English warships were involved in the dissemination of about $1 billion counterfeit Continentals, in part by advertising their availability in newspapers and handbills.

In addition, by 1779 many half-truths concerning the principles of money were circulated in the colonies, by or on behalf of the trader-merchant/investment factions - for whom Alexander Hamilton would soon emerge as leader. The phrase “not worth a Continental” was such a half-truth.

In the midst of war and various forms of intrigue and attacks on its money system, the monetary situation in the newly formed united States declined; the states and Continental Congress began to have trouble paying their suppliers and soldiers.

In his 1779 Report on Money, James Madison pointed out that a key reason for this problem had to do with the growing distrust of the public credit, caused by *"a combination of enemies employing every artifice to disparage the Continental currency."*



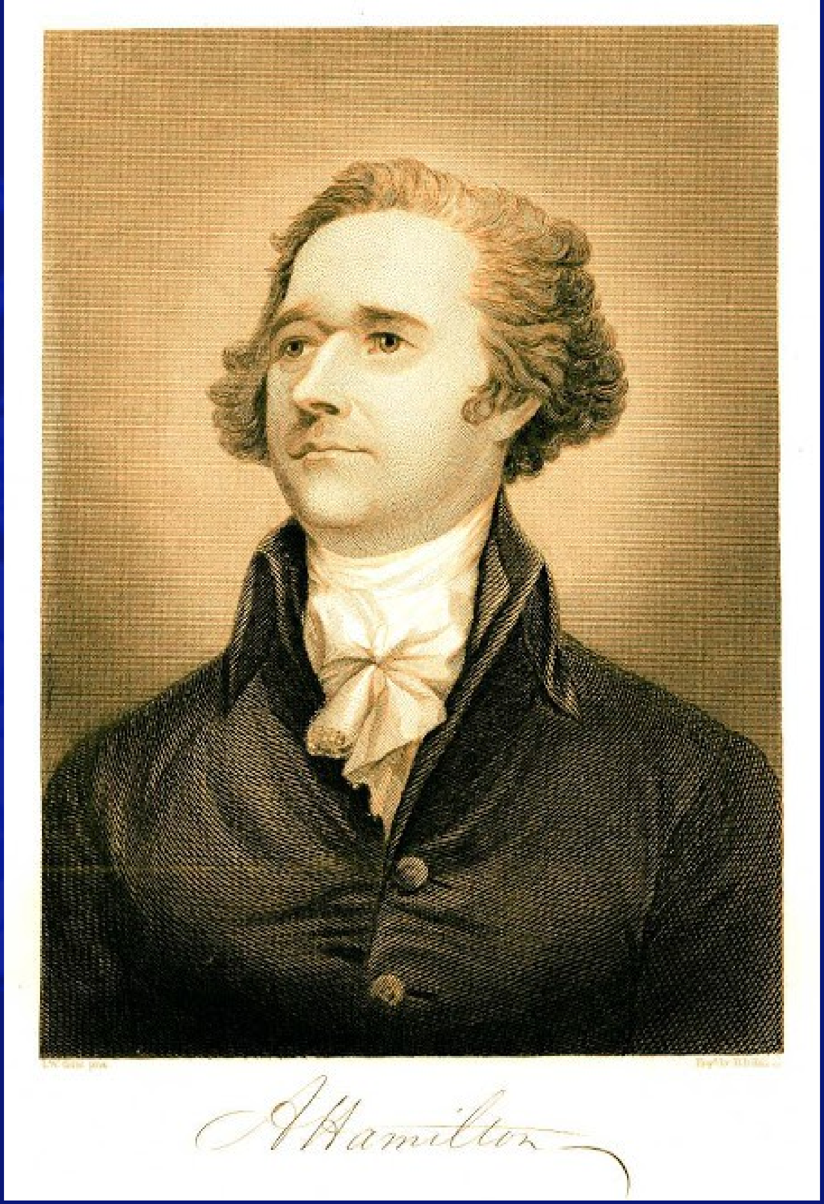
Although the Continental’s abilty to function as money suffered in part because the states retained their power over money and thus (for several years) would not allow the Continentals to have legal tender status, they were celebrated by Jefferson and others as being the crucial factor in the winning of the Revolution.

Writing to his son-in-law John Eppes in 1813, Jefferson declared: *“When I speak comparatively of the paper emission of the old Congress (Continentals) and the present banks, let it not be imagined that I cover them under the same mantles. The object of the former was a holy one; for it ever there was a holy war, it was that which saved our liberties and gave us our independence. The object of the latter, is to enrich swindlers at the expense of the honest and industrious part of the nation.”*

Amidst the monetary chaos, partially self-created, and under duress of war, the Continental Congress established the Bank of North America in 1781, as America’s first defacto central bank, with the privilege to issue notes which ciruclated as money.

This act stood in stark contrast to the long and fiercely held Colonial aversion to private banks of issue.

Although this bank was headed up by Robert Morris, Alexander Hamilton - who was a relative newcomer to the Colonies - was one of the Bank’s chief advocates and assisted in its organization.



Alexander del Mar provides the following lament, echoing Jefferson, about the establishment of the Bank of North America . . .

"never was such a great historical event as was the American Revolution followed by a more feeble sequel. . . .

The Americans of the Revolution had before them not merely the chimerical Utopias which were dreamed of during the Halcyon Age of Europe, they had historical examples of Greece and Rome. In all of these states, the main contention from first to last between the aristocratic and popular factions, arose out of and centered in the monetary system; that greatest of all dispensers of equity or inequity. . . .

. . . .Look at the fruit of what they planted with the creation of this Bank. They planted financial corporations; they planted private money; and they planted financial exemptions from public burdens. . .

In a word they planted another revolution!

In 1784 Alexander Hamilton established the Bank of New York. It was a global financial services company that became the first corporate stock to be traded on the New York Stock Exchange - in 1792.

Meanwhile, in 1785, the charter allowing the Bank of North America to serve as America's first defacto central bank was repealed. The Bank however remained in business until 1929.

In 1786, Shay's Rebelion broke out. Although in reality a "regulation" or protest, it was rebranded a "rebellion" by the Boston merchant communty – who funded a private militia to put it down. Similar regulations took place in New Hampshire, and elsewhere, with the demand that government-issued paper money be allowed to pay taxes.

The problem for Shaysites was that taxes had increased by 1000% during the War, now consuming 1/3 of a typical Massachusetts farmer's income. This tax was essentially unpayable, causing many farmers to lose their farms – all due to a law that had been passed in Massachusetts requiring taxes to be paid in specie – which the Continental Congress had in 1780 determined to be worth 40 time more than the moneys of the Revolution - a trick Jefferson also wrote about in his response to D'Meuniere.

During this period, between the years of 1784 and 1789, when he was serving as Ambassador to France Thomas Jefferson provided answers to questions posed by French author Jean Nicholas D'meunier concerning the monetary situation in the United States. . .

To the first question Jefferson replied that whenever the state legislatures laid taxes to bring in money enough to pay their bills punctually. . . *paper money was in as high estimation as gold and silver.*

To the second question, Jefferson replied . . .

Those who talk of the bankruptcy of the United States are of two descriptions: 1. Strangers who do not understand the nature & history of our paper money. 2. Holders of that paper money who do not wish that the world should understand it. Thus when, in March 1780, the paper money being so far depreciated that 40 dollars of it would purchase only 1 silver dollar, Congress endeavored to arrest the progress of that depreciation by declaring they would emit no more, and would redeem what was in circulation at the rate of one dollar silver for 40 of paper; this was called by the brokers in paper money, a bankruptcy. Yet these very people had only given one dollar's worth of provisions, of manufactures, or perhaps of silver for their $40 & were displeased that they could not in a moment multiply their silver into 40. . .

In 1791 the First Bank of the United States, with the authority to issue the nation's currency, was established upon the recommendation of Alexander Hamilton, then Secretary of the Treasury.

Edmund Randolph as Attorney General, Thomas Jefferson as Secretary of State and James Madison as leader in the House of Representatives all drafted formal objections to the Bank. These were added to the objections recorded in the halls of Congress and elsewhere –

all to no avail.

Subscribers to the First Bank of the United States included a broad-based group of wealthy individuals who included 30 members of Congress, Secretary of War Henry Knox, numerous merchants and speculators together with several states, the Massachusetts Bank, the Bank of New York and Harvard University.

One month later, in August, the price of Bank stock produced a profit in excess of 50%! No wonder shopkeepers and other less wealthy individuals found the temptation for quick profit too tempting to resist.

The speculative fevor so created met with widespread disapproval in the population at large which was expressed best by Thomas Jefferson . . . .

"all the capital employed in paper speculation is barren and useless, producing, like that on a gambling table, no accession to itself, and is withdrawn from commerce and agriculture, where it would have produced an addition to the common mass. . .[Further, Hamilton's plan] has furnished effectual means of corrupting such a portion of the legislature as turns on the balance between the honest voters,

whichever way it is directed. . ."

In a 1792 letter
to then President
George Washington,

Thomas Jefferson,
then Secretary of
State, described how
Hamilton's financial
system came to be
Adopted . . .

“Hamilton's system flowed from principles adverse to liberty, & was calculated to undermine and demolish the republic, by creating an influence of his department over the members of the legislature.

I saw this influence actually produced, & it’s first fruits to be the establishment of the great outlines of his project by the votes of the very persons who, having swallowed his bait were laying themselves out to profit by his plans: & that had these persons withdrawn, as those interested in a question ever should, the vote of the disinterested majority was clearly the reverse of what they made it. These were no longer the votes then of the representatives of the people, but of deserters from the rights & interests of the people: & it was impossible to consider their decisions, which had nothing in view but to enrich themselves. . .”

By the time of Jefferson's presidency State Banks had begun to proliferate, due to the fact that the Congress was not fulfilling its obligation to coin (or make) the nation's money. In response, Jefferson asked his Treasury Secretary Albert Gallatin at the outset of his presidency in 1801 whether they could create a "bank" of government-issued money to serve the same purpose of bank money:

"In order to be able to meet a general combination of the banks against us in a critical emergency, could we not make a beginning towards an independent use of our own money, towards holding our own bank in all deposits where it is received, and letting the treasurer give his draft or note for payment at any particular place, which, in a well-conducted government, ought to have as much credit as any private draft or bank note or bill, and would give us the same facilites which we derives from the banks?"

In 1811, after a long and hard-fought battle, the charter for the First Bank of the United States was not renewed and the bank was dissolved.

Contrary to predictions, no financial calamity followed liquidation of the bank.

Upon liquidation it was found that 18,000 of the bank’s 25,000 shares were owned by foreigners, mostly English and Dutch. So although the Revolution was fought to end foreign domination, it was being re-insinuated through the banks.

In June of 1812 Congress declared war on England.

So in the midst of war - and following much the same course advocated by Jefferson for gradually reintroducing true money into circulation - Congress issued interest-bearing notes four times.

Then, as the war ended and again following Jefferson's advice albeit somewhat tepidly, it authorized the issue of non-interest bearing notes in small denominations, with no date for repayment. Though being very close to true money *these notes were unfortunately not given legal tender status by the Congress. . .*

This despite the fact that in 1814, there even was a bill introduced in Congress by a Representative Hall of Georgia requiring that future treasury notes be given legal tender status among citizens of the United States or between a citizen of the United States and a citizen of any foreign country.

Sadly . . .

This bill was defeated 94 to 45, due to the House still being under the sway of the financial interests.

In 1813 as talk began to swirl about the need for a Second Bank, Jefferson wrote his son-in-law John Eppes: *The truth is that capital may be produced by industry and accumulated by economy; but jugglers only will propose to create legerdermain tricks with [bank] paper.*

In yet another letter written to John Taylor of Caroline, Jefferson wrote: *I sincerely believe, with you, that banking establishments are more dangerous that standing armies; and that the principle of spending money to be paid by posterity, under the name of funding, is but a swindling futurity on a large scale.*

In 1814, John Taylor of Caroline wrote this about the problem of allowing banks the privilege of issuing notes which ciruclated as currency:

If no new banks should be created after 1808, nor the acquisitions of the old increased, the five millions annually collected by existing banks, at compound interest, carry from the public to the corporations, in twenty years, above $184 millions of dollars. Here is already a vast current of money and power running one way; will those check it in whose favor the current sets? Are the recievers, as regulators of power and wealth, of undoubted confidence?

In an 1815 letter to Albert Gallitin, Thomas Jefferson pointed out the problem of Congress and the Treasury shirking their duties insofar as money creation was cocerned:

The Treasury, lacking confidence in the country, delivered itself bound hand and foot to bold and bankrupt adventurers and bankers pretending to have money, whom it could have crushed at any moment . . .These jugglers were at the feet of government. For it was not any confidence in their frothy bubbles, but lack of all other money, which induced. . .people to take their paper. . .We are now without any common measure of value of property, and private fortunes are up or down at the will of the worst of our citizens. . .

By 1814 a large portion of the currency then circulating consisted of the bank notes of the 208 state banks then in existence. This forced the government to keep four different accounts in each of the 94 state banks it used.

Reminiscent of the Revolution, much of the Treasury’s revenue was useless because it was collected in state bank notes that were not accepted in other states. War only magnified the problem.

The government’s fiscal situation was chaotic and the Treasury is known to have lost about $6 million as a result – an immense sum at the time.

The chaotic atmosphere created by disparate state bank currencies and the cumbersome system under which the Treasury was forced to manage its financial obligations made a Second Central Bank inevitable.

After vetoing the first proposal, which in its original form he favored, Madison signed the charter for a Second Bank of the United States in June of 1816.

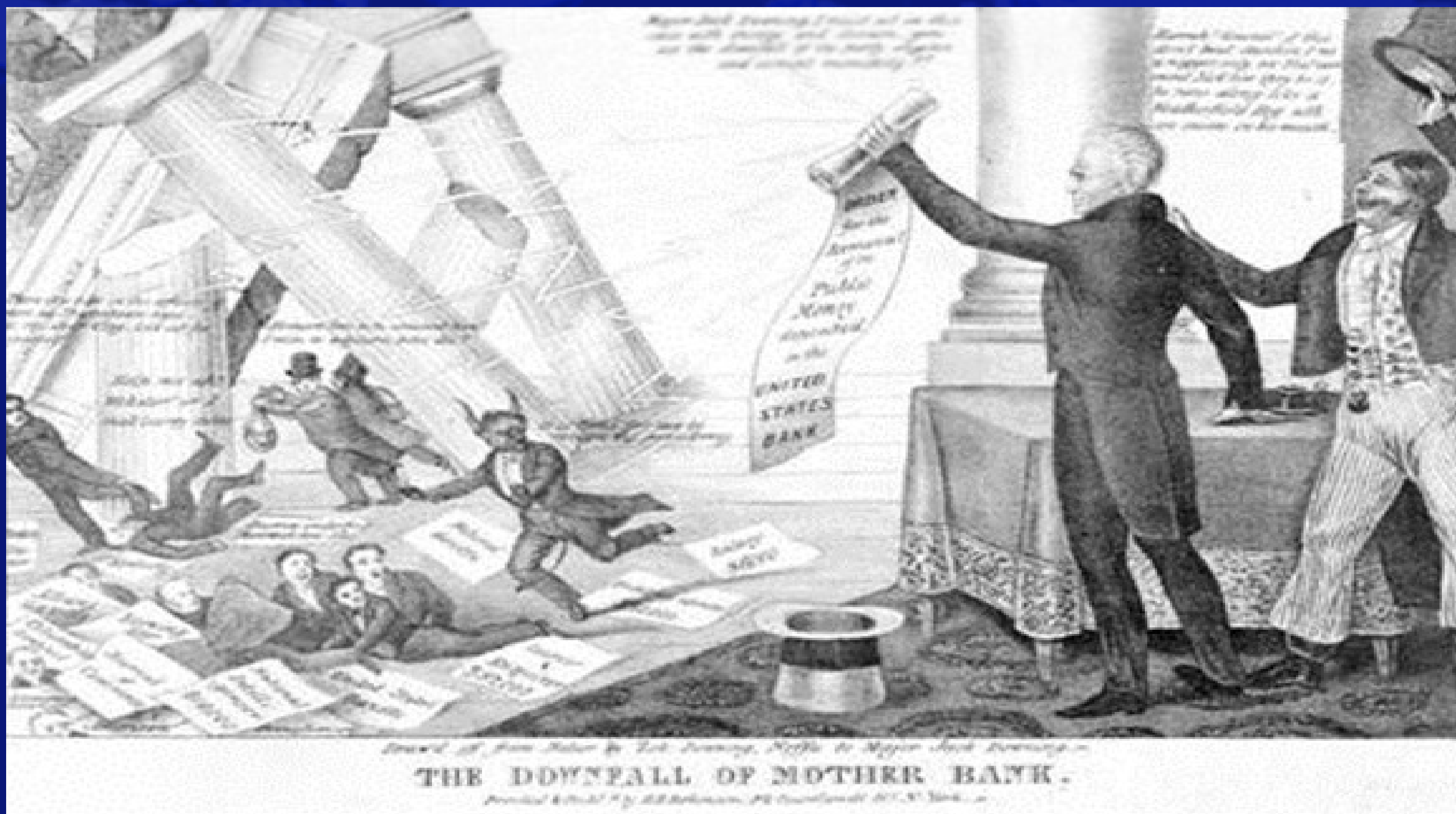
After a very hellacious beginning, by 1823 the bank gained its sea legs under Nicholas Biddle. Although the Bank did not officially set monetary policy or regulate other banks, it did provide a method for stabilizing the national currency via the way it handled the notes of state banks.

In 1831, Albert Galatin – who had served as Secretary of the Treasury for both Jefferson and Madison - wrote a paper called Banking and Currency in defense of the Second National Bank as being a reasonable method by which to regulate the nation's currency as it was then being created by the State Banks, due to Congress’s reluctance to direct the Treasury to issue money.

In the following passage he provides some insight into the deleterious effect of the "competing currencies" (in the form of bank notes) of the State Banks that compelled the formation of the Second Bank of the United States:

“Subsequent events have shown, that the notes of state banks, pervading the whole country, might produce the very effect which the Constitution had intended to prevent by prohibiting the emission of bills of credit by any state. The injustice to individuals, the embarrassments of government, the depreciation of the currency, its want of uniformity, the moral necessity imposed on the community, either to receive that unsound currency, or to suspend every payment, purchase, sale, or other transaction, incident to the wants of society, all the evils which followed the suspension of specie payments, have been as great, if not greater, than those which might have been inflicted by a paper currency, issued under the authority of any state. . .”

Shortly thereafter, in 1832, Andrew Jackson began his war on BUSII.



By 1833, in preparation for the expiration of the BUSII charter in 1836, 23 state banks, known as “pet banks” due to their political alliance with Jackson, were selected to receive surplus government funds.

As promised, Jackson refused to renew the charter for the Second BUS in 1836.

Previous to the demise of BUSII in 1836, State Bank notes were received by the United States for excise taxes, customs duties and sales of public lands. This practice was greatly restricted after 1836, precipitating the long impending collapse of the “State banks.”

As the “money” supply shrank, a massive Depression ensued, even spreading to Europe.

The shortage of True MONEY caused by Congress's failure to authorize the issue of said MONEY between 1793 and 1837 allowed the era of "wildcat banking" to begin in earnest.

During the wildcat banking period, which lasted until 1863, state banks – including Jackson's "pet" banks – issued approximately 10,000 different types of bank notes which were then used by the public as "money".

Often referred to as "shinplasters" many of these notes were often not accepted by one bank from another while others were counterfeited, and still others became devalued and subsequently worthless as banks, one after another failed.

Countless thousands lost everything through no fault of their own - and many were reduced to starvation.

By the mid 1840s states were going bankrupt because they had issued bonds trying to bail out the banks.

After a false start in 1840, the Act of 1846 set up an independent treasury that was isolated from all banks. It required the Treasury to pay bills out of its own funds and be completely independent of the banking and financial system of the nation.

However. . . *All payments in and out of the Treasury were to be only in specie – signaling the continuing influence of the international money power.*

Thus, as time would tell, the companion hope of the Independent Treasury for “promoting a stable currency and the growth of enterprise at a sober pace” proved to be illusive at best.

Nevertheless the Independent Treasury lasted until the creation of the Federal Reserve System in 1913.

By the end of Buchanan’s term in March 1861, the “Independent” U.S. Treasury was in a state of “utmost confusion”and forced to rely on deficit financing. The “Buchaneers” had succeeded in creating the largest debt ever accumulated by an administration without engaging in war.

The Union thus entered the Civil War in April 1861 with an exhausted Treasury and poor credit.

The Fight For The Colors Battle of Gettysburg, July 1 1863

Then a miracle happened . . . which caused the Union to stand in stark contrast to the Confederacy insofar as money creation was concerned because . . .

For the first time in her ongoing struggle against European and national forces representing the money power, the U.S. Congress took steps by which to establish a functioning sovereign monetary system based on true MONEY as spelled out by the Mixt Moneys case of 1604.

First, in August 1861, Congress authorized the Treasury to issue the interest-free “demand note” dollar with unlimited legal tender status for all purposes, expressly payable in coins – a provision similar in nature to many issues of Continentals.

Second, in February of 1862 Congress authorized the Treasury to issue the “Greenback” dollar, giving it an unlimited legal tender status for all purposes except customs duties and interest on the public debt. *The Greenbacks were a marked improvement over the Continentals of the Revolutionary War because they had legal tender status, and they contained no promises which were not dischargeable in themselves: they were MONEY.*

Third, Congress passed the National Bank Act of 1863.

The objective of this act was to provide the means for suppressing the conflicting systems of “State Bank” notes and the endless supply of “shinplasters”.

This was achieved by allowing Nationally chartered banks to issue the “National Bank Note” dollar. This dollar was legal tender in any amount to and from the government, except for duties and interest on the public debt but it was not a legal tender between individuals, meaning it was not true MONEY.

As soon as the War was over, the “wildcat banks” which had shamefully closed their doors and gone into bankruptcy, were now – under new names – urging Congress to retire the greenbacks and allow them, the bankrupts, to issue their own notes as money in place of the greenbacks which had served the nation so well.

The Contraction of Act of 1866, requiring the recall and retirement of the greenback, was passed and the old struggle between the money power and the people once again began in earnest.

Most if not all money-related acts that followed showed the influence of European syndicates as being behind their passage.

As a new Congress passed one piece of legislation after another in favor of the money power . . .

the people were themselves organizing, first at the state level within political organzations of differing names, but all in support of the greenback dollar.

These groups consolidated first under the Greenback Party which held its first national convention in 1876, nominating pamphleter Peter Cooper as its Presidential candidate.

By 1890 the Populist or People's Party was formed through a coalition comprised primarily of farmer's groups together with small merchants, urban workers and intellectuals.

The lineage of these groups could be traced back to the 1860s and the Patrons of Husbandry, out of which grew the Granger movement in tandem with the National Greenback Party, the Knights of Labor, the Northern Farmer's Alliance, the Southern Farmer's Alliance and the Colored Farmer's Alliance.

The first Populist Party convention was held in Omaha in 1892.

Colonel James Weaver, who had been elected to Congress in 1878 as a Greenback Party candidate, was the Populist nominee for President of the United States, winning 1 million votes.

Leading up to the 1892 election, James Weaver and Mary Elizabeth Lease, nicknamed "Mary Yellin," toured the lecture circuit together, with Lease providing opening and closing remarks.

This is an excerpt from one of Lease's Speeches:

Wall Street owns the country. It is no longer a government of the people, by the people and for the people, but a government of Wall Street, by Wall Street and for Wall Street. The great common people of this country are slaves, and monopoly is the master. The West and South are bound and prostrate before the manufacturing East. Money rules, and our Vice President is a London banker.

Our laws are the output of a system which clothes rascals in robes and honesty in rags. The parties lie to us and the political speakers mislead us. . . .

We were told two years ago to go to work and raise a big crop, that was all we needed. We went to work and plowed and planted: the rains fell, the sun shown, nature smiled, and we raised the big crop they told us to: and what came of it? Eight-cent corn, ten-cent oats, two-cent beef and no price at all for butter and eggs – that's what came of it.

Then the politicians said we suffered from over-production, when 10,000 little children, so statistics tell us, starve to death every year in the United States, and over 100,000 shop-girls in New York are forced to sell their virtue for the bread their niggardly wages deny them.

Tariff is not the paramount question. THE MAIN QUESTION IS THE MONEY QUESTION. . . .

The common people are robbed to enrich their masters. There are 30,000 millionaires in the United States. Go home and figure out how many paupers you must have to make one millionaire with the circulation of only $10 per capita.

There are 30 men in the United States whose agreggate wealth is over 1 1/2 billion dollars. There are half a million men looking for work. There are 60,000 soldiers of the Union in poor houses, but no bondholders. It would have been better if Congress had voted pensions to those 60,000 paupers who wore the blue and dyed it red with their blood in the country's defense than to have voted to make the banker's bonds non-taxable, and payable, interest and principal, in gold.

An excerpt from the preamble to the 1892 platform similarly contains much that remains relevant today . . .

"... we meet in the midst of a nation brought to the verge of moral, political, and material ruin. Corruption dominates the ballot-box, the Legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the States have been compelled to isolate the voters at the polling places to prevent universal intimidation and bribery. The newspapers are largely subsidized or muzzled, public opinion silenced, business prostrated, homes covered with mortgages, labor impoverished, and the land concentrating in the hands of capitalists. The urban workmen are denied the right to organize for self-protection, imported pauperized labor beats down their wages.... The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of the world.... From the same prolific womb of governmental injustice we breed the two great classes -- tramps and millionaires."

The Money Power took notice, stating in this “Banker’s Manifesto of 1892” . . .

We must proceed with caution and guard every move made, for the lower order of people are already showing signs of restless commotion. . . The Farmers Alliance and Knights of Labor organizations in the United States should be carefully watched by our trusted men, and we must take immediate steps to control these organizations or disrupt them . . . At the Omaha Convention our men must attend and direct its movements . . . Capital must protect itself in every possible manner through combination (conspiracy) and legislation . . . The question of tariff reform must be urged through the organization known as the Democratic Party, and the question of protection with reciprocity must be forced to view through the Republican Party. . . By thus dividing voters we can get them to expend their energies in fighting over questions of no importance to us. . .

So ti was that even before 1896 the Populist Party was showing signs of fracturing. One of many compromises it made in the 1896 election season was to agree to a "fusion" ticket with the Democratic Party at the presidential level, thus accepting Democratic nominee Williams Jennings Bryan as their presidential candidate.

Contrary to what is commonly believed, and although runnning as a“pro-silver” democrat (in opposition to the Southern Democrats), Bryan had endorsed the Populist ticket in 1892 and in 1894 worked to unite the Democratic Party with the Populists in Nebraska. He also clearly understood “the money question” as evidenced in his famous “Cross of Gold” speech:

We say in our platform that we believe that the right to coin and issue money is a function of government. We believe it. We believe that it is a part of sovereignty, and can no more with safety be delegated to private individuals than we could afford private individuals to make penal statutes or levy taxes.

Mr. Jefferson, who was once regarded as good Democratic authority, seems to have differed in opinion from the gentleman who has addressed us on the part of the minority. Those who are opposed to the proposition tell us that the issue of paper money is a function of the bank, and the government ought to go out of the banking business.

I stand with Jefferson rather than them, and tell them, as he did that the issue of money is a function of government, and that the banks should go out of the governing business. . . .

My friends, we declare that this nation is able to legislate for its own people on every question, without waiting for the aid or consent of any other nation on earth. . .

It is the issue of 1776 over again. Our ancestors, when but three millions in number, had the courage to declare their political independence of every other nation; shall we, their descendents, when we have grown to seventy millions, declare that we are less dependent than our forefathers?

. . . If they (the opposition) ask us why we do not embody in our platform all the things we believe in, we reply that when we have restored the money of the Constitution all other necessary reforms will be possible; ***but until this is done there is no other reform that can be accomplished.***

With the help of the Populists, the “pro-silver” democrats managed to secure the Presidential nomination of William Jenning Bryan.

Once Republican candidate William McKinley agreed to endorse the gold standard, his supporters rewarded him by filling his campaign coffers with $3.5 million. By comparison, Bryan’s campaign had at most an estimated $500,000, which he partially made up for with his demanding whistle-stop political tour.

Despite this, Bryan got 6.5 million votes and won 22 states, while McKinley got 7 million votes and 23 states. McKinley won 100 more electoral votes by winning the most populous states, allowing McKinley’s victory to be proclaimed a “landslide” by the press.

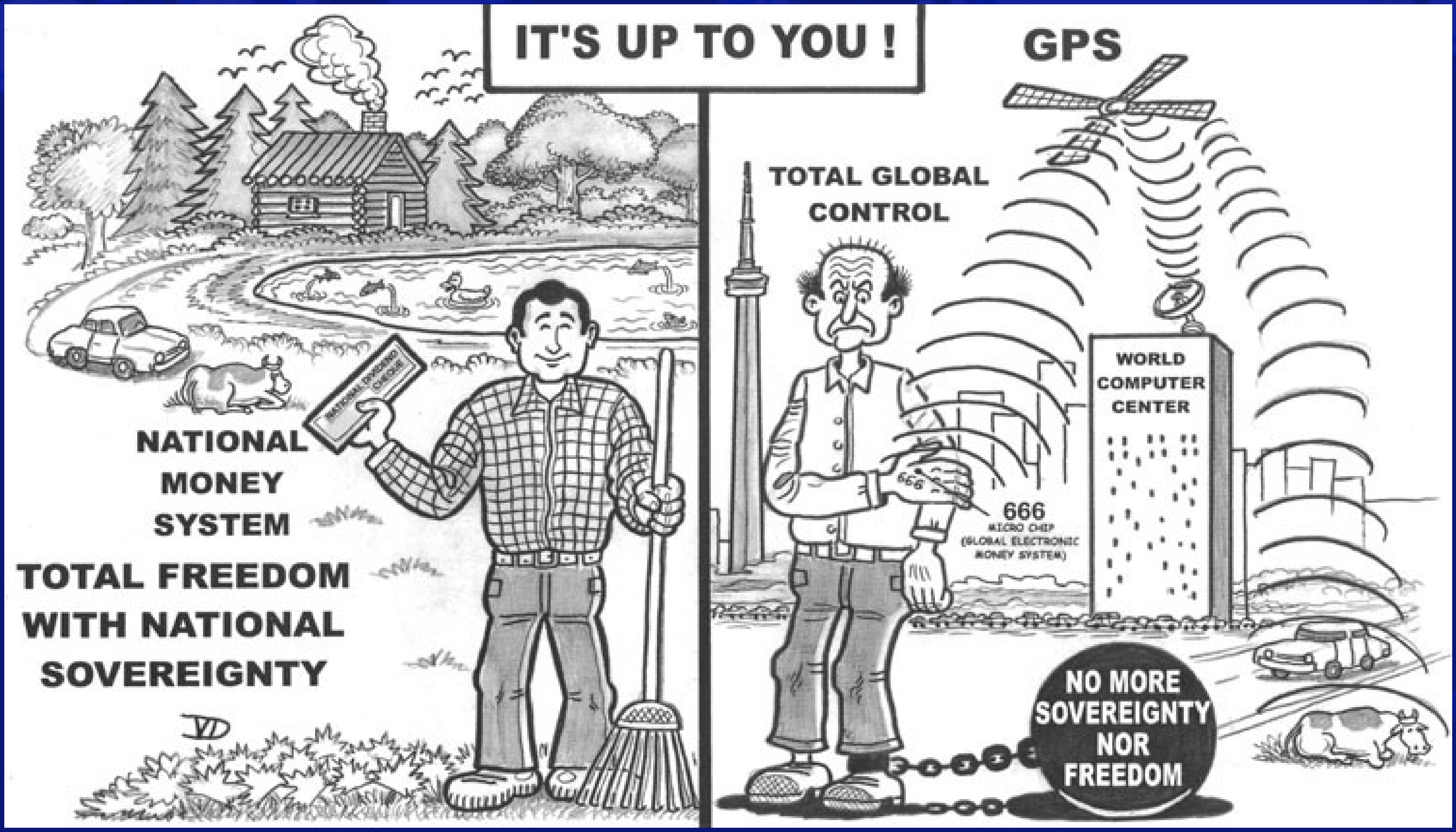
Despite the media proclamation of a McKinley "landslide" . . .

the Populist movement proved to be the largest and most significant political movement in U.S. history, second only to the American Revolution itself.

By the turn of the century, and thanks in no small part to the intrigues of the money power, the Populist Party splintered into various interest groups that found voice in both the democrat and republican parties.

The Populist's original laser-like focus on "the money question" had been neutralized, but not forgotten. The American struggle against the money power, though in more muted and sometimes muddled form, continued throughout the 20th century and continues today.

Now more than ever, we need a new "Populist" movement.



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