

South Bend, Ind. Feb 24<sup>th</sup> 1879

My Dear Friend Spooner,

I rec'd your fragments of the "New Age" containing your article on "Financial Importers." I immediately read with great interest all your communications as well as all others in the papers, fragmentary as many of them were. Although written some time ago, they all were fresh and interesting to me. The New Age, I think is an excellent paper. I was not aware that the social and financial questions were being discussed as a specialty in Boston, and with much spirit and utility as I learn from the papers you have sent me.

I was less pleased with the Editorial comments on your productions than I was interested in reading the articles themselves. I was a little amused at some of the criticism on your financial plan, particularly that although a false statement of your position, by which the facetious writer emulates your banking capital to the pair of old boots, the broken legged horse and silver watch taking a \_\_\_ with its \_\_\_\_\_ the Banker, I presume. I feel that I should like to be in Boston to make the acquaintance of the men and women engages in these discussions there at this time and take a hand sometimes in the argument myself. It is an inane and \_\_\_ existence to dwell among the farmers out here.

I am satisfied that a complete resolution in our financial system is soon to take place. One thing we may take for granted as certain; and that is that we never shall return to the old system of State Banks with their ridiculous and false assumption of a special basis. The idea appears to me to be no less absurd than that of Gerance (?) going back to the geocentric system of Astronomy. I have looked forward with the hope that the time would come, where the present National Banks would be swept out of existence and when the government would issue a sufficiency of paper money for all business purposes of the country, and it seemed to me that this currency could be kept at par with gold, if redeemed in payment of taxes and customs. I do not understand what you mean when you give as the reason of the depreciation of the Greenback the fact, that the bills claim no interest during the time they were irredeemable. Of course, you did not mean that Greenbacks lent out did not draw interest. My theory was that the Greenback fell in value, only

because of the contingency of the existence of the nation during the Rebellion and the repudiation of the Greenback by the Government itself, as far as recurring it for customs was concerned, and hence the speculation in gold and relative use of gold which during suspicion had to be forthcoming to pay the duties. Please explain the matter to me when you next write me as I have no doubt you can Spooner. I must confess, however, after reading your system and critically summing up all the objections that appear to present themselves to it, as such will arise to every new and radical system, particularly when only imperfectly understood, that it is the best Banking system by which notes are issued as currency that I can conceive of. The financial theory that money increases in value in the same as it decreases in quantity and vici versa, or as John Stuart Mill says; its value being "inversely (as the quantity multiplied by its rapidicity? of circulation," you have shown to be absurd in your carrying out the theory to its logical deduction of one dollar being equally sufficient for all purposes, as thirty billions would be.

What do the Boston Bankers say about it? What stands in the way of introducing its so legislation necessary? What are your prospects of obtaining the influence and the tangible assistance of those who have the power and means to set your system in operation? You have worked hard and long Spooner - all your life for the truth and the right! And if there were any truth in the east about the "benevolence and justice of Providence," you would not be poor today. But, my old friend, you know, and I know, that material wealth is not the most valuable possession in this world, nor heap in up millions as evidence of the most successful life, according to wealth all its advantages, and to poverty, all its blighting and oppressive weight. Neither of us would exchange fortunes, if one had, at the same time to exchange characters with any of the three quarters of the wealthy men in the country; and there are a good many more like us, and I take it that we both know what the pains of poverty are, pretty well.

I am doing nothing financially, excepting running in debt for my board. I know not where I shall get a postage stamp to mail this letter with, still, I shall financeer successfully enough, I think, to this end. When you receive the letter, you will know that I have succeeded. The hotelkeeper, so much of a gentleman - at least to men - that he has never mentioned money to me; I feel, however, anxious about the matter, if he does not. I could have made quite a sum of money this winter if I had had sufficient moeny to have put me in partly in the lecture field, I have two lectures - the "Emancipation of the working classes" and the "Language of Life," besides a repertoire of Readings from the Frosts(?), dramatic and

Lyric. I have given good satisfaction in the few small places where I have held forth but I have made little money over expenses. I shall probably lecture, in a small way, next Saturday evening a few miles from South Bend.- All I can do id to "work and wait."

Your friend, always

D. McFarland

To Daniel McFarland

South Bend, Indiana

Feby. 6-1879

Copy

109 Myrtle St

Boston, Feby, 6 -1879

Copy

Dear McFarland,

I mail for you, two pamphlets relative to my banking system. I expect that I shall someday get it established -I could do it very soon, if I could just gget means to make it known. And if I should get it established, I could give you lucrative employment in connection with it. When I wrote you yesterday, I thought I might possibly give you a little something to do immediately - but as a reflection I doubt if I can. But I hope you will read the pamphlets, and tell me whether you like the system, and whether you would like employment in connection with it, if I should hereafter be able to offer you sone.

Yours Truly,

L. Spooner

P.S. The system would be worth every thing to the West, if they would adopt it.

L.S.

A copy,

L. Spooner

[Poster]

# LECTURE !

DAN' L MCFARLAND,

of New York City, will Lecture at

ARMORY HALL,

NILES, MICHIGAN,

Wednesday Ev'ng, Jan. 8, '79.

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REPUBLICAN PRINT

Daniel McFarland

Feby 24, 1879

Lysander Spooner,  
109 Myrtle Street,  
Boston, Mass

109 Myrtle St

Boston, March 10, 1879

Dear McFarland,

In yours of Feby 24<sup>th</sup>, you request me to explain what I mean when, I give as a reason for the depreciation of the greenback, the fact that the bills drew no interest during the time they were irredeemable.

I thought I had fully explained this in the appendices B and C to "Financial \_\_\_\_\_" No. 1 in pages 51 and 59 - And especially in the last note in page 59, commencing with the words "A Stable government" If you will read those Appendices again carefully, I think you will understand me.

Suppose a railroad company's receipts for fare and freight should be \$1,000,000 per annum. And suppose they should issue their notes for \$4,000,000; and should make no provision for reducing them; except by receiving those for fare and freight. And suppose that as fast as they received them for fare and freight, they should \_\_\_\_\_ them in payment of current expenses, so as to keep outstanding the \$4,000,000 of notes, redeeming only \$1,000,000 of them per

annum. And suppose these notes bear no interest. Would they have on an average, four years to run without interest before they could be redeemed. They would there before be below that of gold, by the amount of interest- four years' interest - that would be lost in there before they could be redeemed. They would therefore be thirty or forty per cent below that of gold, just as my note having it.

But if this company should put out no more than \$200,000 or \$300,000 and receive those for fare and freight, they would all be redeemed so quickly after being issued - say in three months - that the hop of interest on them would not materially depreciate there. They would keep at par with gold.

The reasons why bank notes remain at par with gold is that they are issued by discounting notes that have usually not more than three months to run. Of course, they come back to the bank, in three months, in \_\_\_\_\_ of notes \_\_\_\_\_ although they bear no interest, they retain their notes equal to gold because it is known that they will be redeemed so sooner after being issues , there the hope of interest in them is of no appreciable importance. But if they were to be issued by discounting notes that had two, three, or four + years to run first, there can be no provisions made for the redemption except by receiving them in payment. Suppose our government demands \$200,000,000 taxes for \_\_\_\_\_. The \_\_\_ case ut can keep perhaps out \$100,000,000 left and keep them at par with gold by swiftly receiving those for taxes. But if they put out more than will be redeemed quickly, in say, three, four, five or six months from this time they are freed - they will depreciate, by reason of the hop of interest from that time where they might be redeemed. Have I now made the matter \_\_\_\_\_? Over government put cut more greenbacks there could be read that was the cause of their depreciation.

Learned quickly, by being noted for taxes -that is, internal taxes/ If they had been recd a;sp for duties or intent, they would could have depreciated less than the did; because they would have been redressed more quickly than when received only for internal taxes. Have I now made the matter plain? See P.S. inside

P.S. I sent you two days ago eight numbers of the New Age, and today I send you eight more, counting No. 3 + 4 of "Financial Imposters(?): I sent you No. 2 about ten days ago. I expect to get my system into operation sometime, but how soon is uncertain. Let

me hear from you. L.S.

Can you not interest this \_\_\_\_\_ in the banking question, and this do something for yourself as well as them? The greenback movement will never consent to any thing. L.S