THE BANKS MUST GO.

EDITOR TALENT NEWS:

We often see the assertion by the defenders of the national banks that there is no profit to them in their circulating notes, because of the premium of from 15 to 25 per cent which they have to pay for the bonds as a basis of circulation, and which premium the bankers have to lose when the bonds are paid off by the government. This is true, but most people infer from it that the banks are running the business for their health. They can well afford to make small profits off their circulating notes, when their per cent of profits on all their loans amount to from 10 to 100 per cent. The banks, national and private, lend from three to four billions of deposits of the people which cost them nothing, at from 7 to 25 per cent interest, giving them a profit of from three to four hundred millions annually on the people's capital. Thus they live off the interest of what they owe! Now suppose the government should do its own banking and pay the people 2 per cent for time deposits, and re-loan them for 4 per cent, the government—which is the people—would save two thirds of this amount (for but a small part of the deposits in the banks are time deposits) and use it to pay the expenses of the government and take the taxes off the people on what they eat and wear. But the government has abdicated its supreme power and function given it by the people to coin money and regulate its value and handed it over to banking corporations, which expand or contract the currency of the country at will, and thus control the property, the industries and wages of labor. In consequence industries are paralyzed, and wages and land and the products of labor are at 50 per cent discount and bank stock at 50 per cent premium.

But here is a little illustration which shows that the national banks get a fleece even in these latter days which yields a pretty good profit on their bank circulation. By the recent bond sale the government sold the bankers of the East $50,000,000 in 4 per cent bonds for $50,000,000 in gold, which they could not lend until John Sherman, Grover Cleveland, Carlisle & Co. paid them 4-per cent interest six months in advance—$1,000,000.

By depositing the $50,000,000 bonds in the treasury, they get returned to them $45,000,000 bank notes, which added to the $1,000,000 advance interest amounts to $46,000,000, which they lend to the dear people at from 7 to 25 per cent, besides the other $5,000,000 of the $50,000,000 is counted with their reserves and they really have it for their use.

The interest on $50,000,000 for a year is $2,000,000 and on the $46,000,000, say at 7 per cent is $3,220,000, which would equal 10 per cent on their $50,000,000.

The bonds are not taxable which makes 2 per cent more in the bankers pockets.

The tax of one per cent banks pay the government is more than made up by the interest on bonds and notes being paid in advance. They lend the notes at much more than 7 per cent and really get an average of 15 per cent on the amount of their bonds and notes. They invested $60,000,000 and draw interest on $90,000,000 and have the use of $5,000,000 as reserve. Pretty fat thing in these hard times.

But take the case of the national banks that started along in 1864-5. A banking corporation would buy $100,000 in greenbacks with $40,000 in gold, and buy $100,000 in bonds, and deposit them in the treasury and draw out 90 per cent, or $90,000 in notes, and then draw 7 per cent interest for six months in advance on their bonds—$3,500—and buy $8,750 more bonds with this interest, then draw 90 per cent of this in notes—$7,975—which would give them a total circulation of $97,975 bank notes, on which they would draw quarterly in advance 8 per cent interest allowing for the 1 per cent tax, or $9,797. They would then have for their investment of $40,000 of gold:

U. S. bonds............	$108,750
Bank notes............	97,975
Total..............	$206,725

This would be an increase on their investment of over 500 per cent Now counting the interest on their investment we have:

$108,750 bonds at 7 per cent	$7,641
97,975 notes at 8 per cent	7,838
Total interest..........	$15,479

This would be nearly 40 per cent interest yearly on the $40,000 actually invested. The bonds were non-taxable which would add 2 per cent more. The interest on the bonds and notes was payable in advance which would equal the tax of one per cent on the circulation.

No wonder that the stocks of the national banks have risen to such enormous per cents while property used for production has fallen 50 per cent. No wonder that John Sherman's bank stock in which Cleveland deposited $47,000,000 of government money and charged no interest is quoted at $2000 a share which cost only $100 a share, and that the stock of the Chemical national bank of Philadelphia is quoted at $4700 a share whose par value was only $100 a share. Yet